

**Total Federal Spending –
Fiscal Year 2010:
\$3,373,309,000,000**

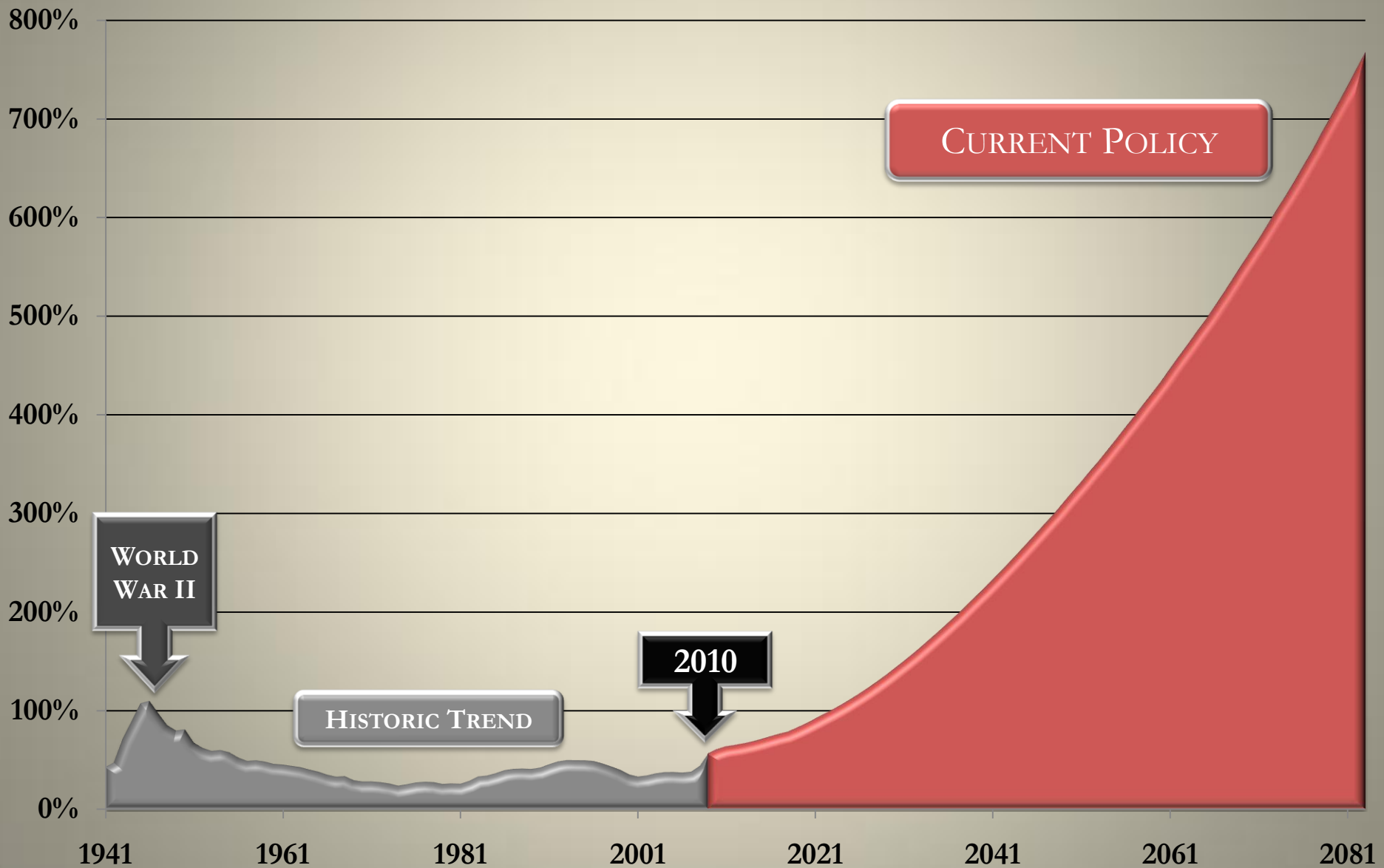
**Projected Federal Spending -
Fiscal Year 2011**

(Including Republican Budget Cuts):

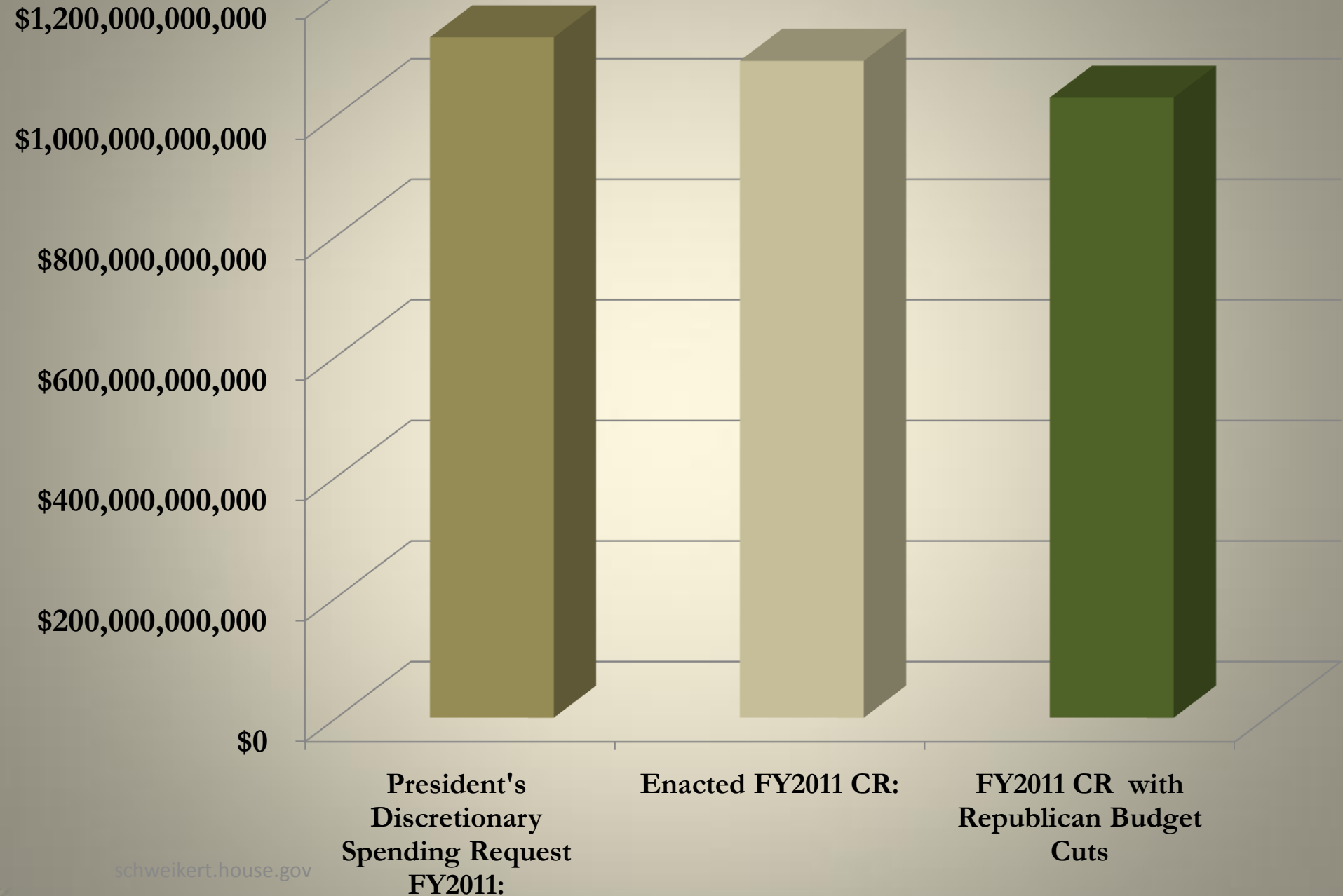
\$3,758,819,000,000

THE PATH AHEAD: TIDAL WAVE OF DEBT

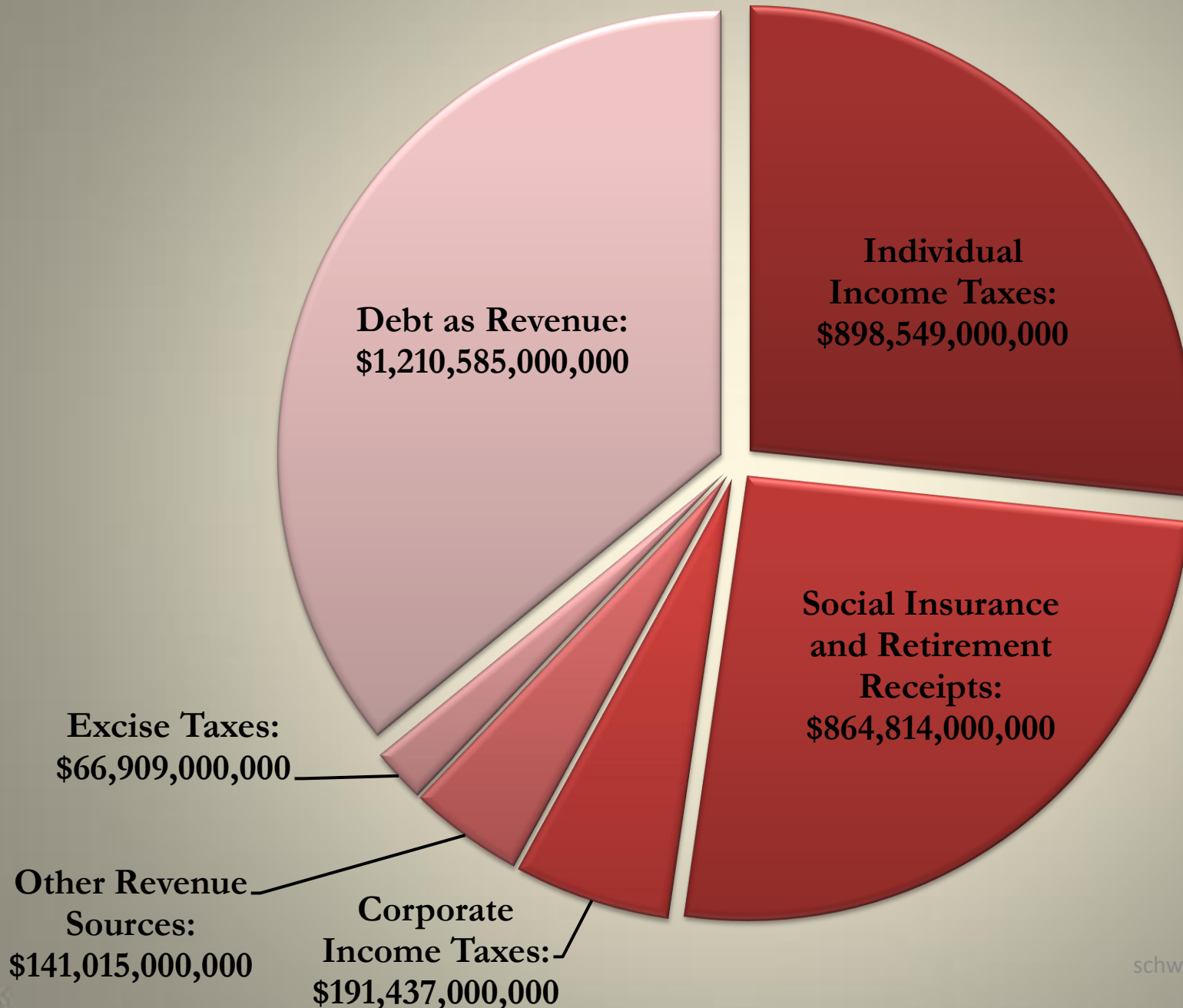
(DEBT HELD BY PUBLIC AS PERCENTAGE OF GDP)



Discretionary Spending Authority FY2011



Debt as Revenue VS. All Other Federal Revenues FY2010



Where Does the FY2010 Federal Dollar Come From?

Debt as Revenue:
36%

Individual Income
Taxes:
27%

Social Insurance
and Retirement
Receipts: 26%

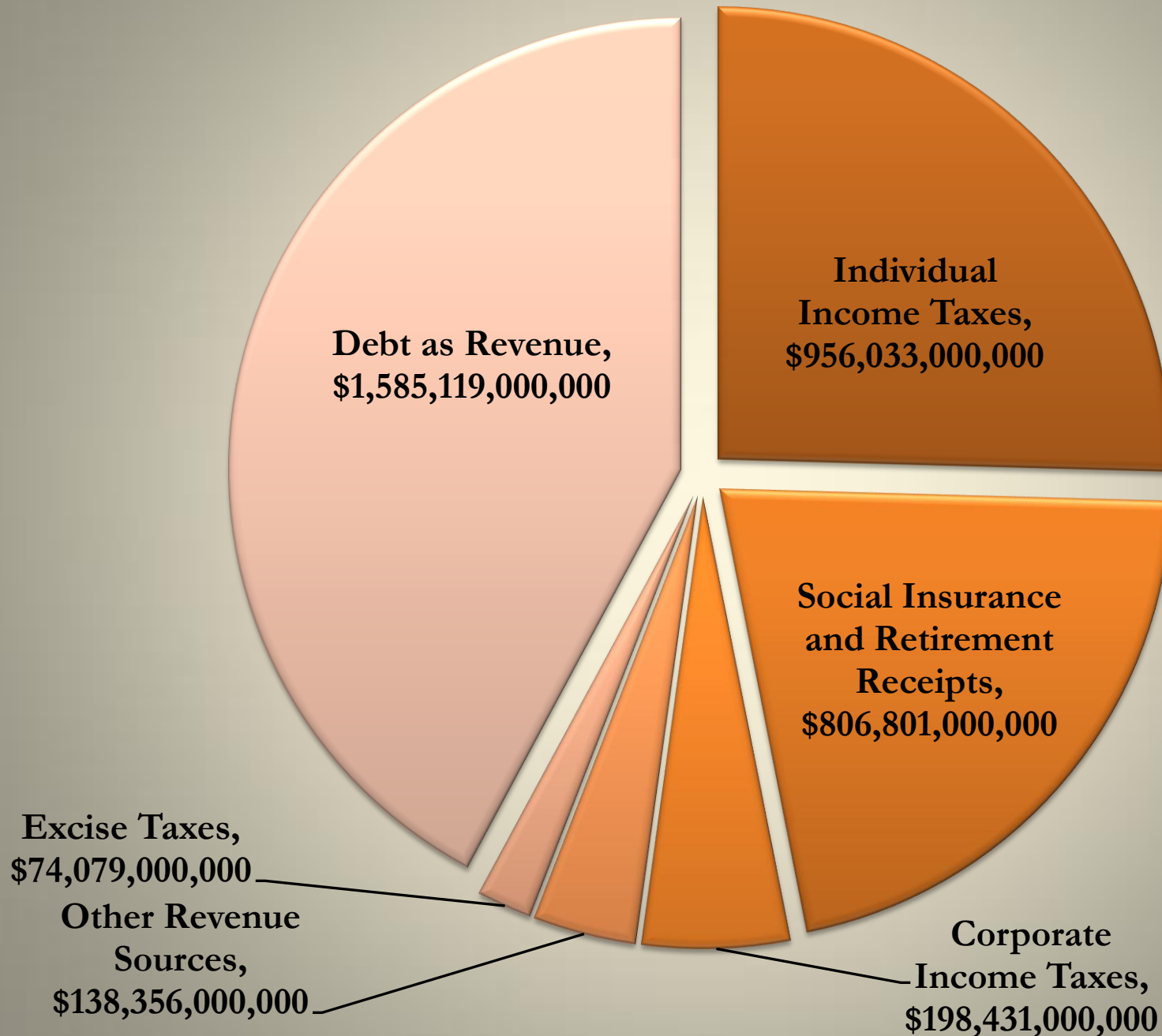
Corporate Income
Taxes:
5%



Other Revenue
Sources:
4%

Excise Taxes:
2%

Debt as Revenue VS. All Other Federal Revenues Projected FY2011



Where Will the FY2011 Federal Dollar Come From?

Debt as Revenue:
42%

Individual Income
Taxes:
25%

Social Insurance
and Retirement
Receipts: 21%

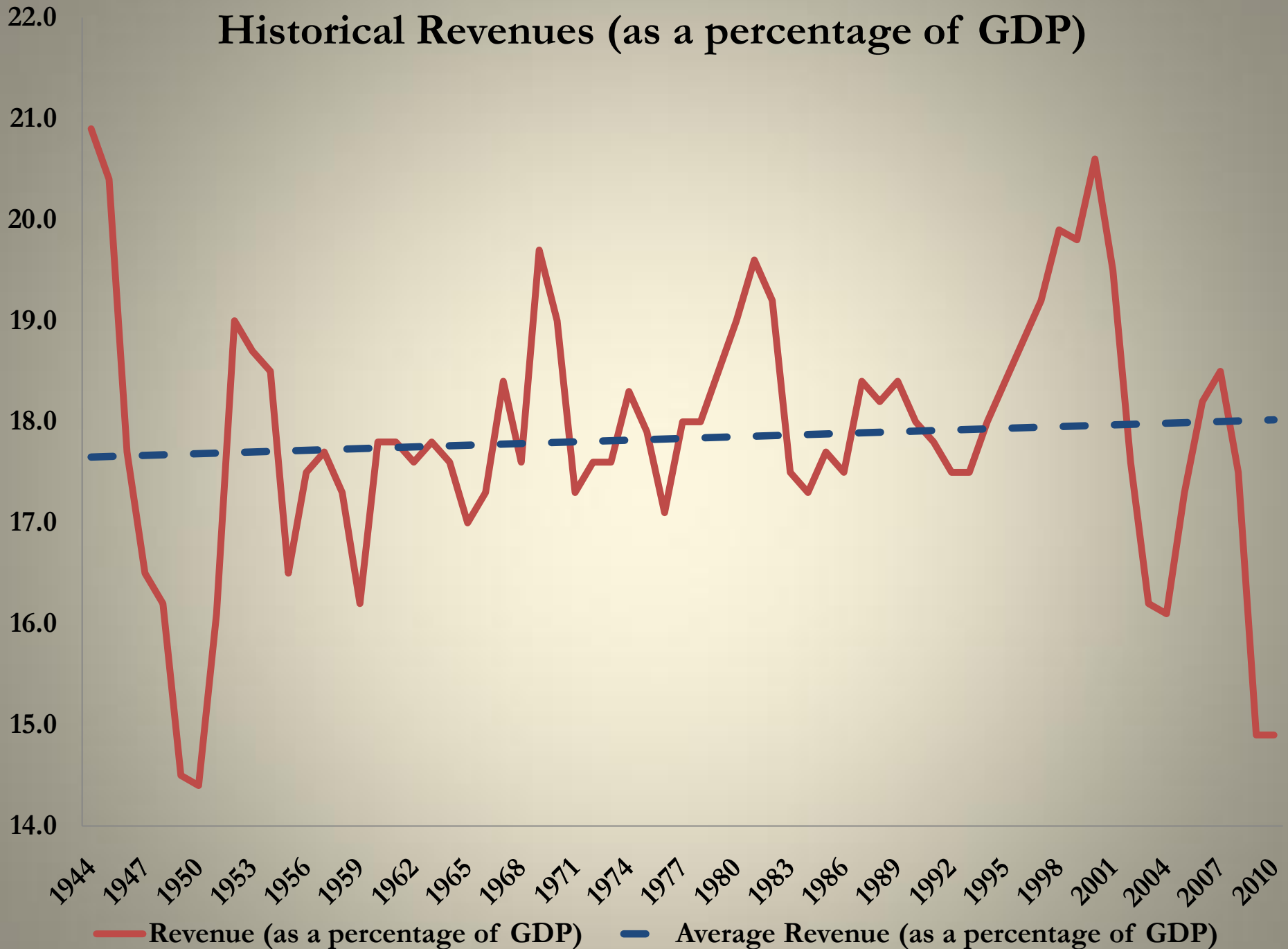
Corporate Income
Taxes:
5%



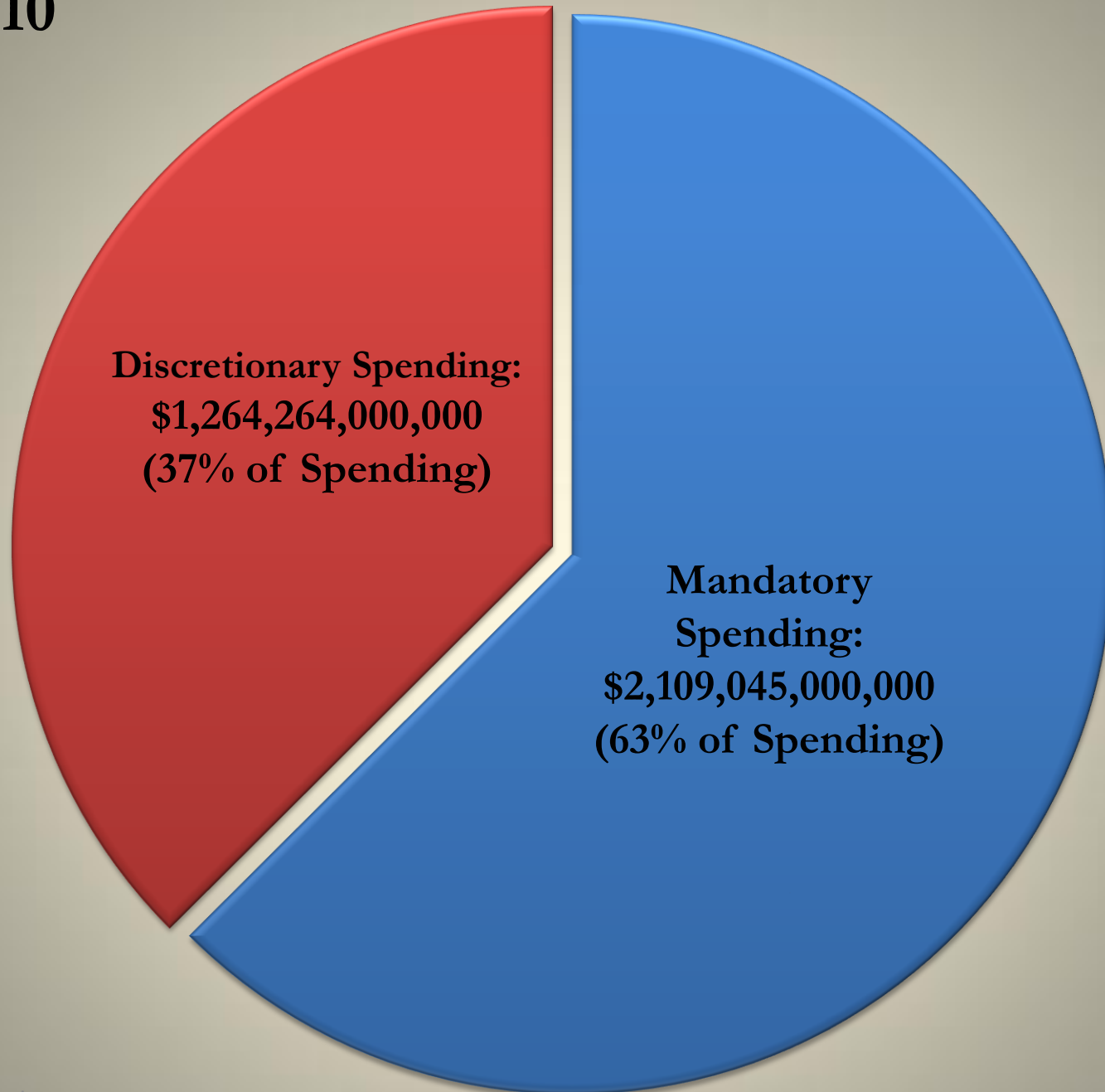
Other Revenue
Sources:
5%

Excise Taxes:
2%

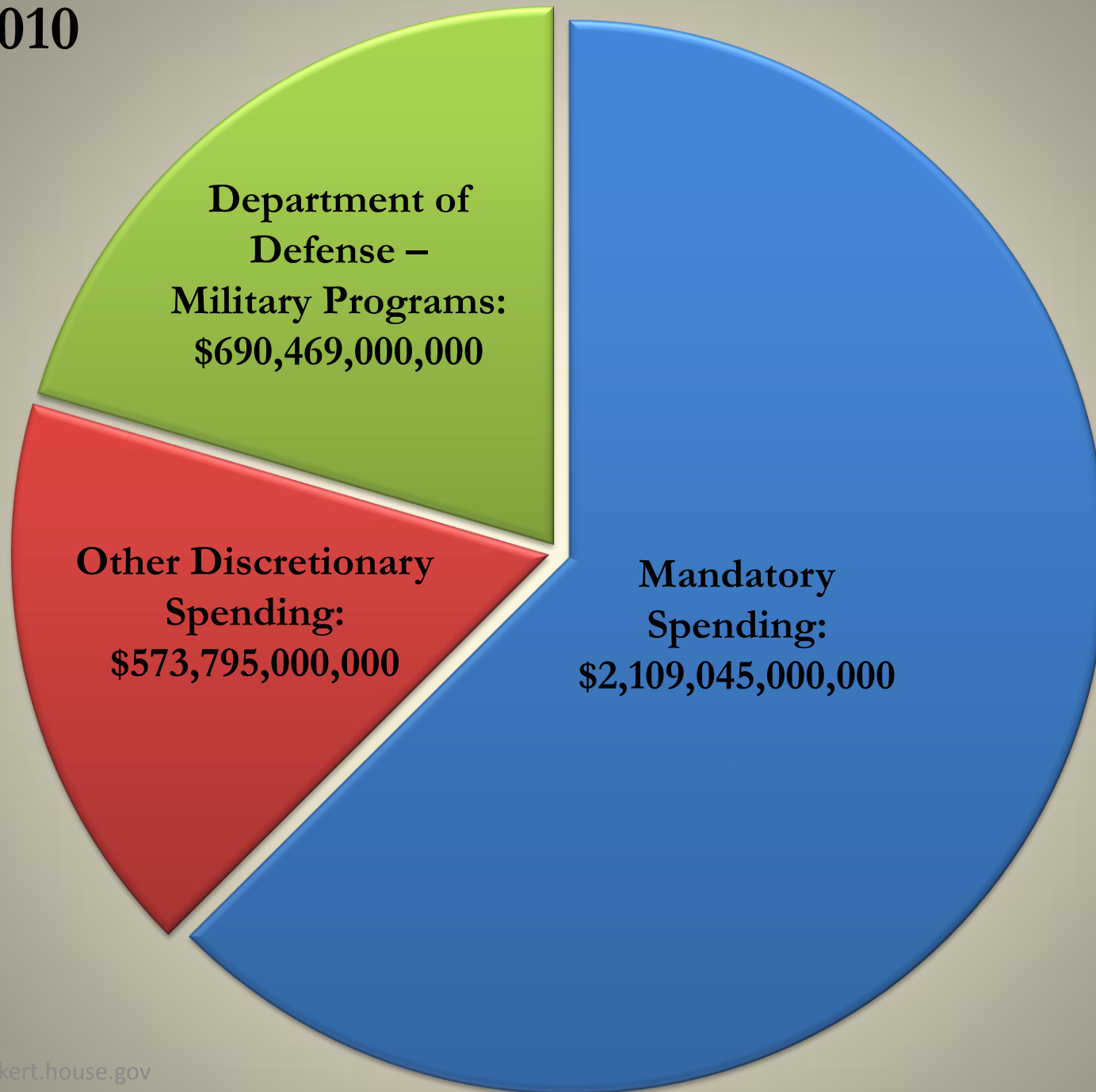
Historical Revenues (as a percentage of GDP)



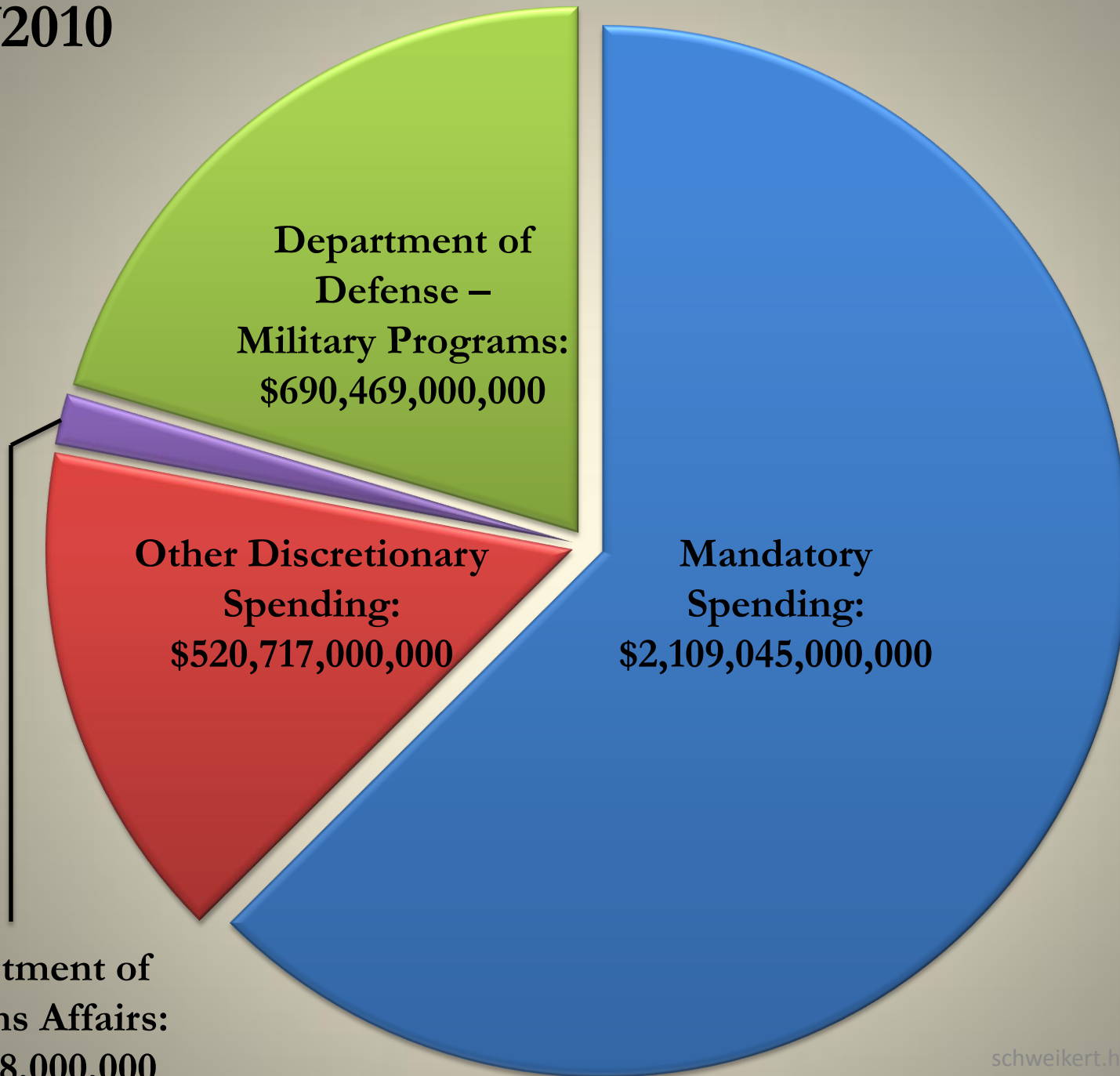
FY2010



FY2010

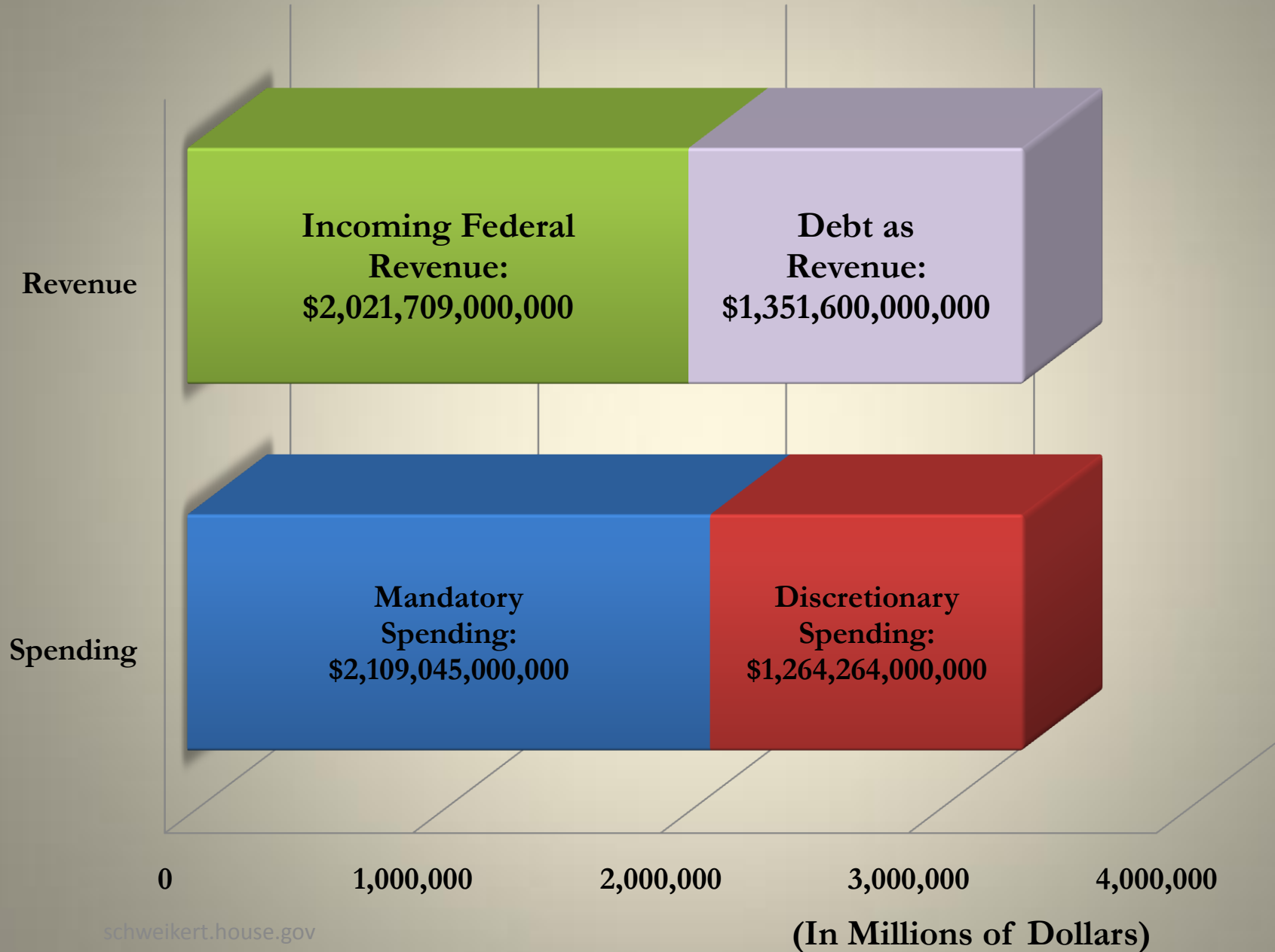


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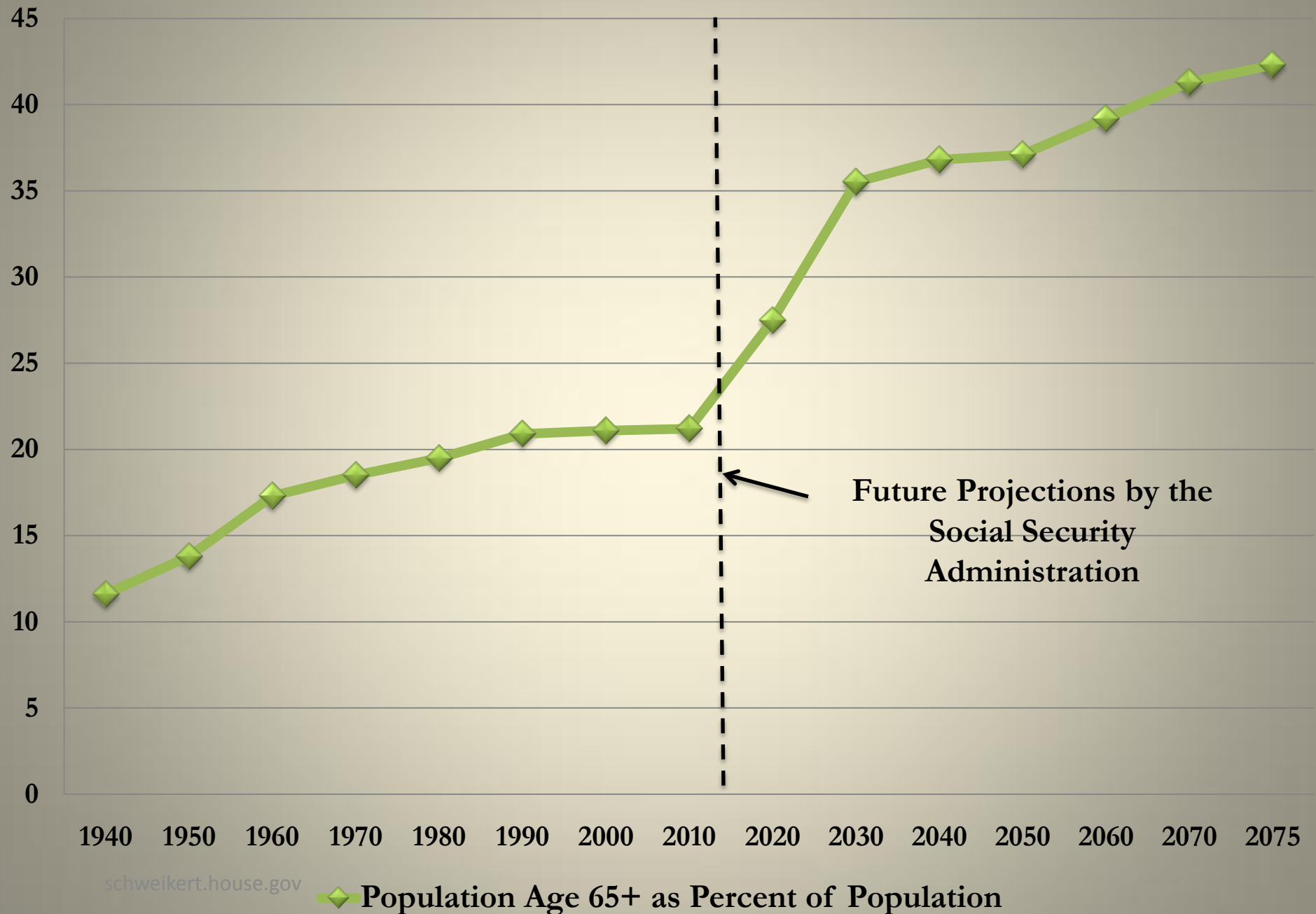


**Department of
Veterans Affairs:
\$53,078,000,000**

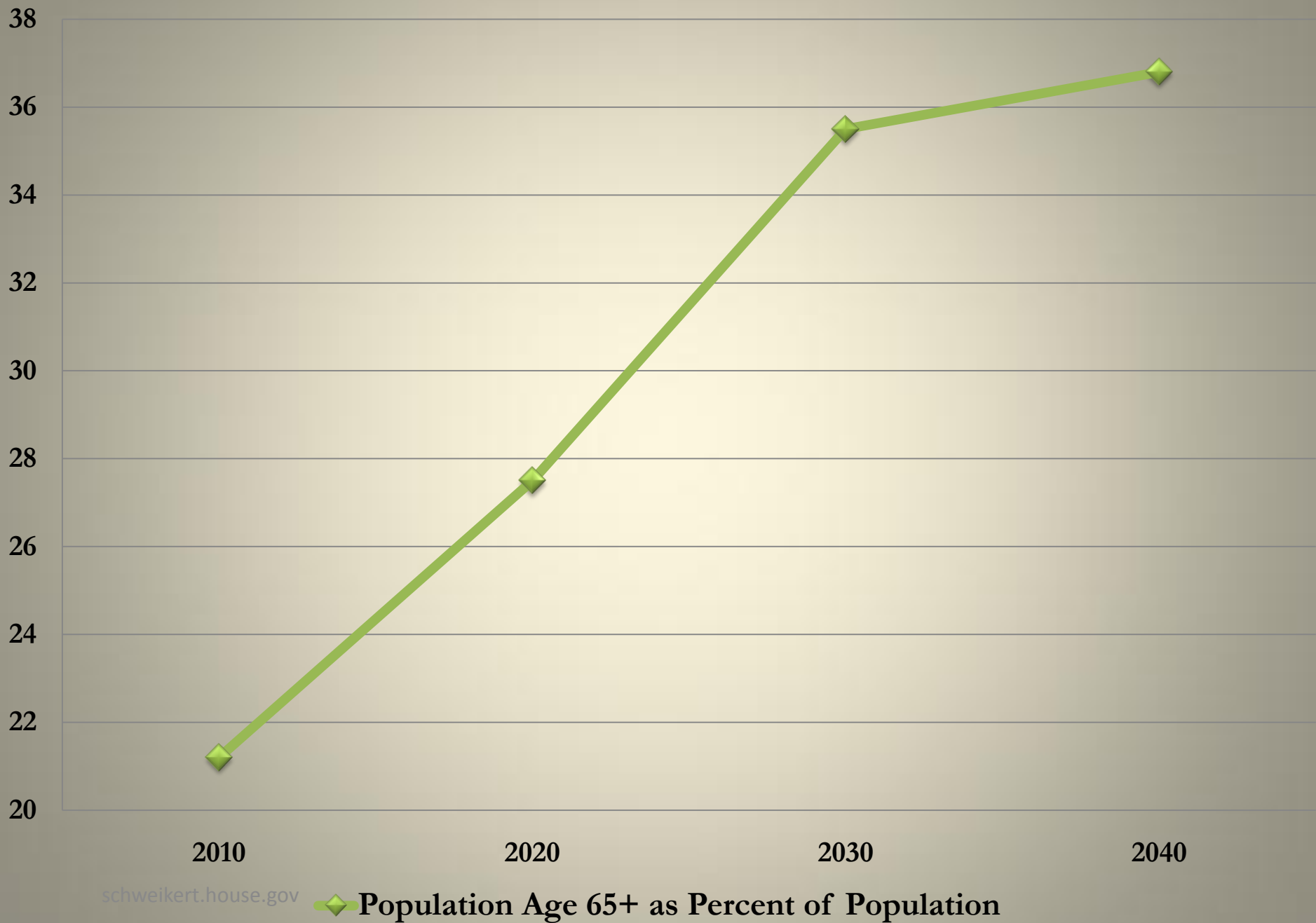
Revenues VS. Spending in FY2010



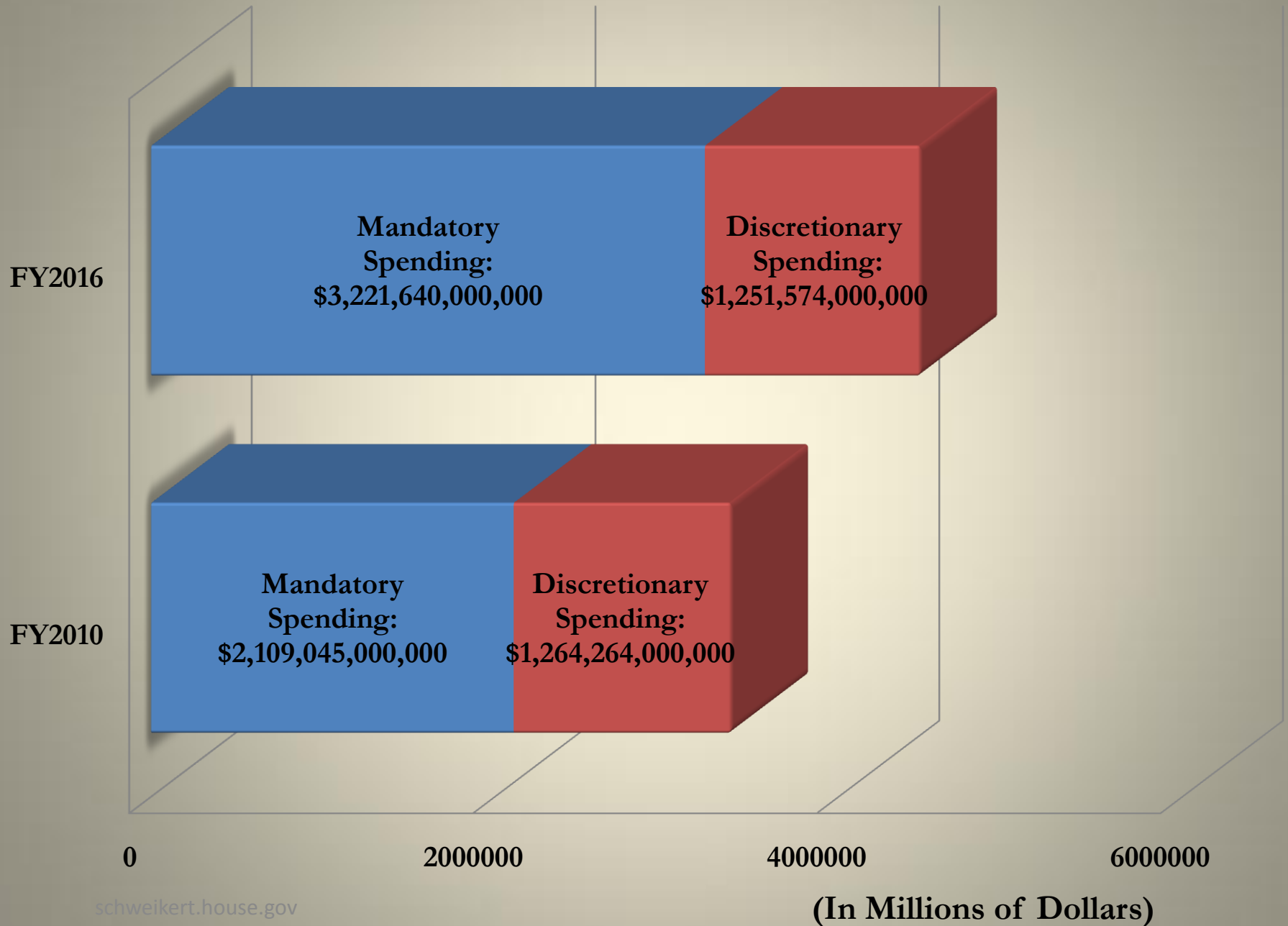
The Looming Entitlement Crisis



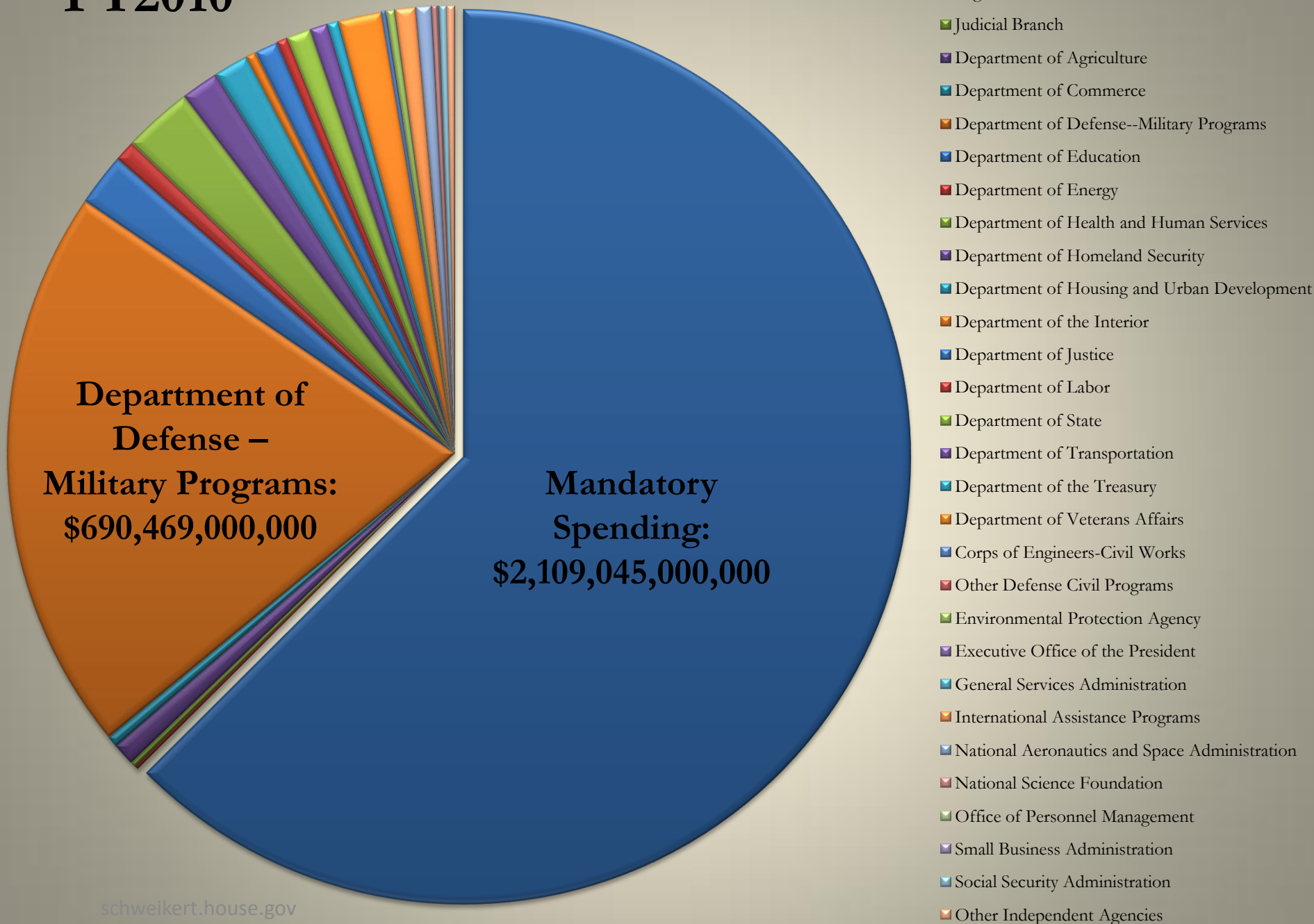
The Effect of the Baby Boomers on Social Security



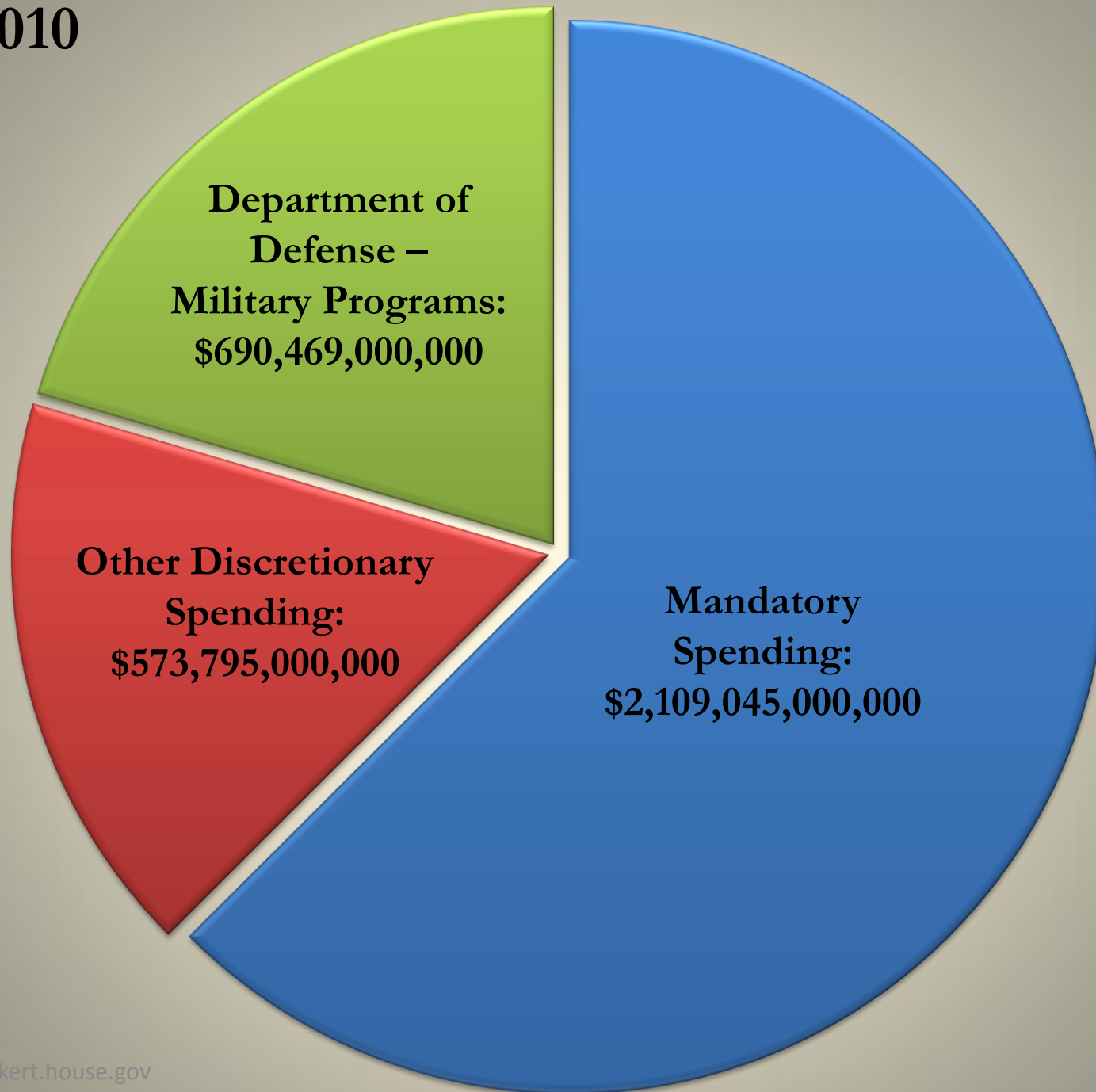
Projected FY2016 Spending VS. Actual FY2010 Spending



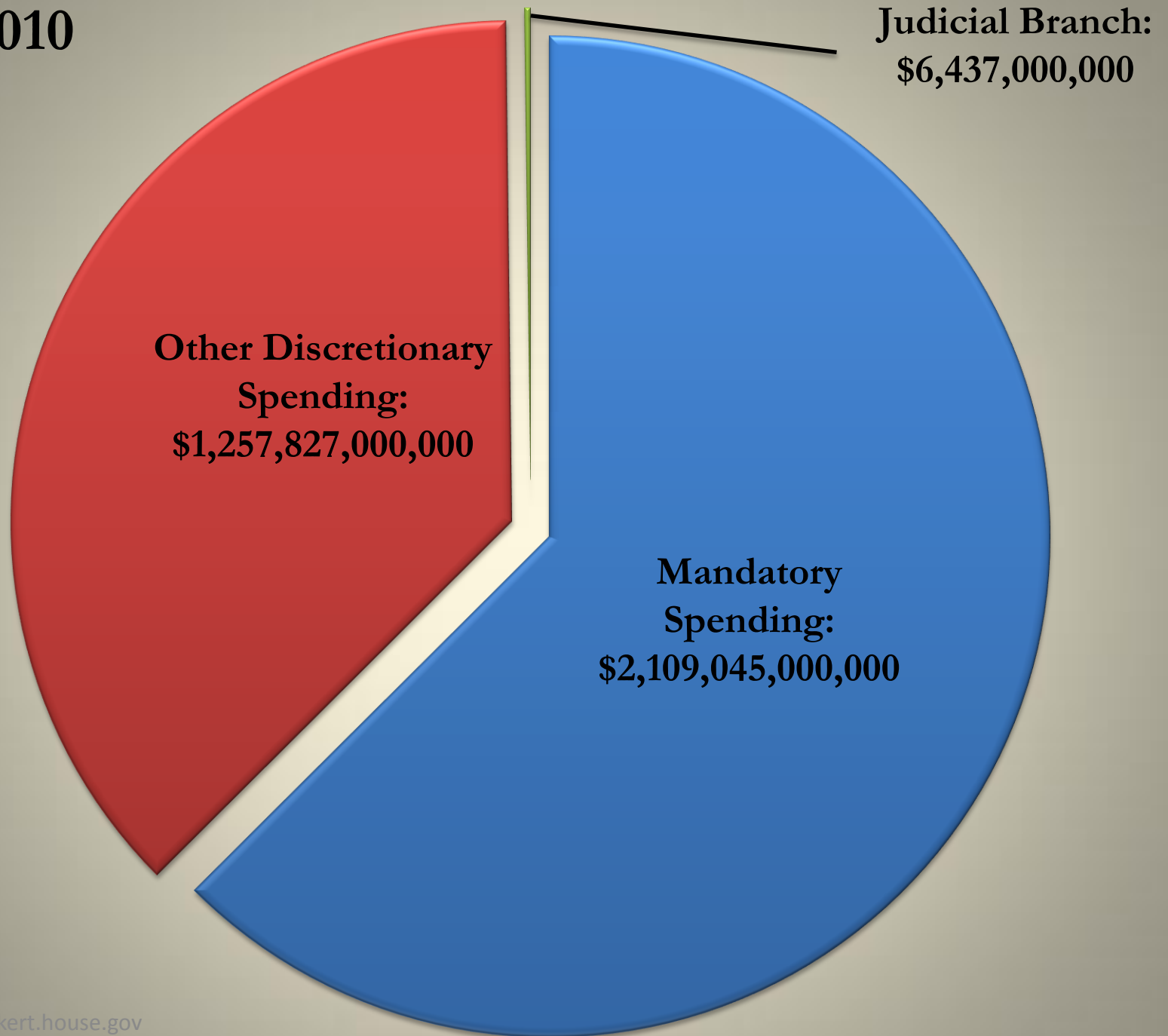
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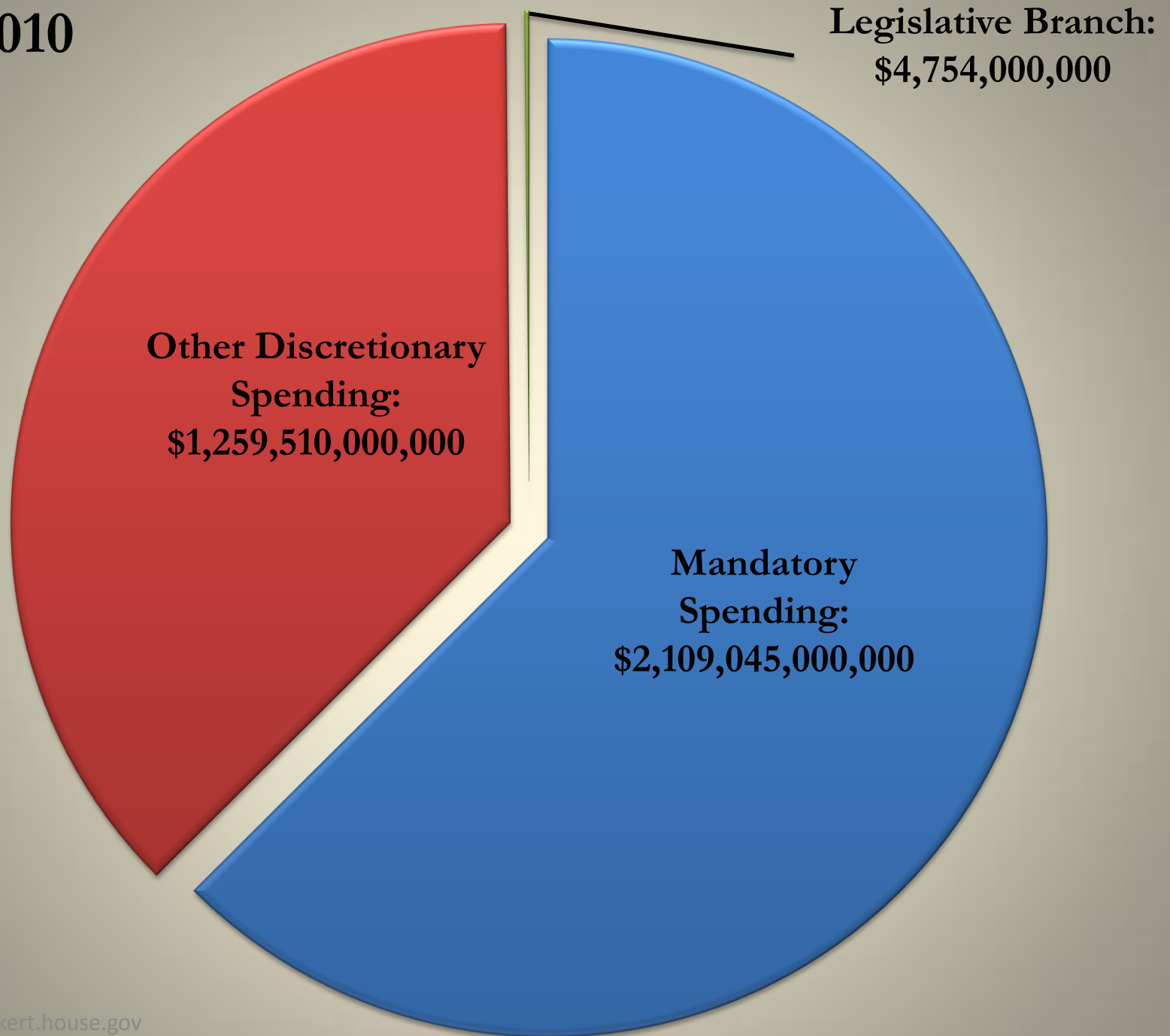
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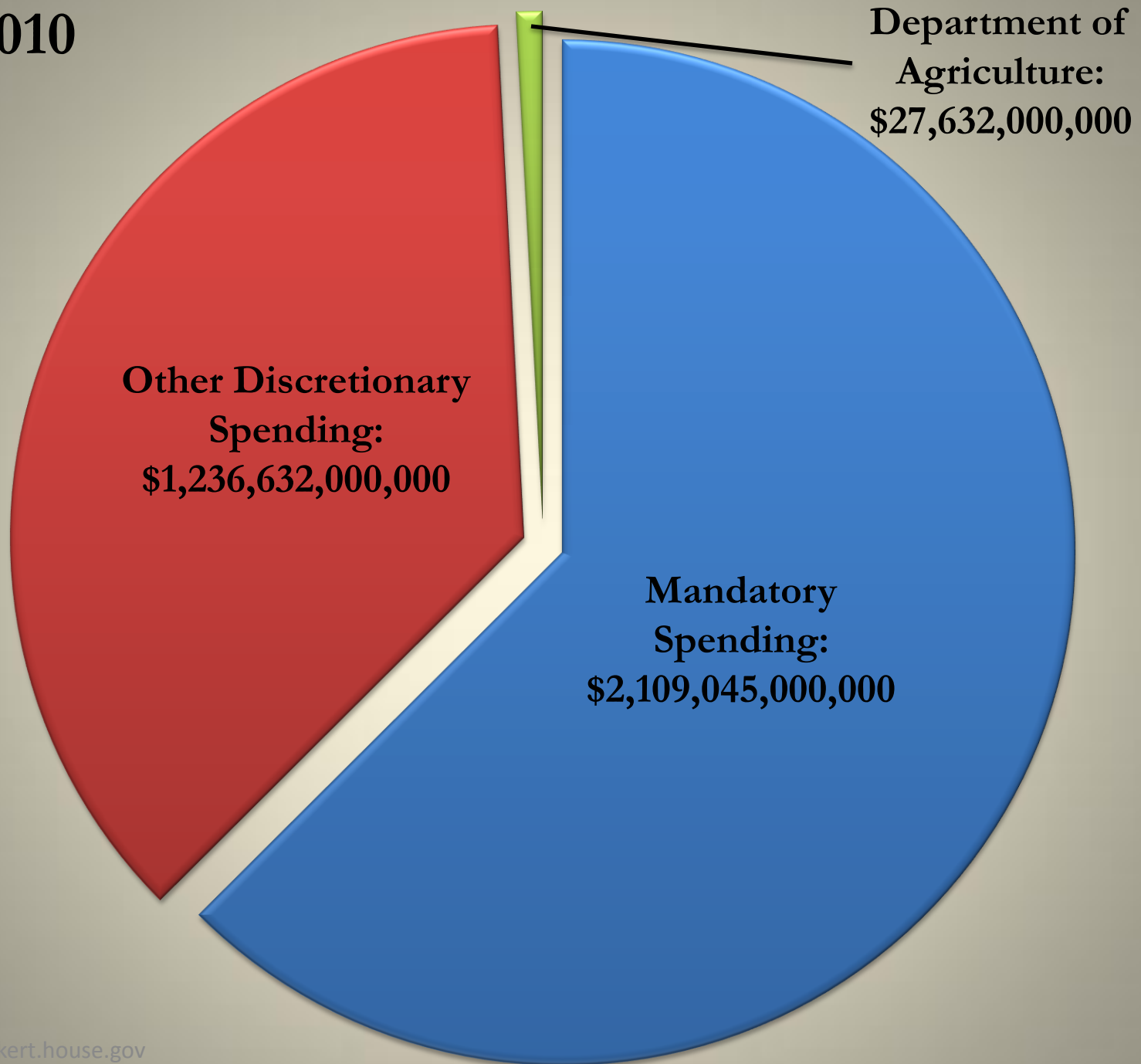
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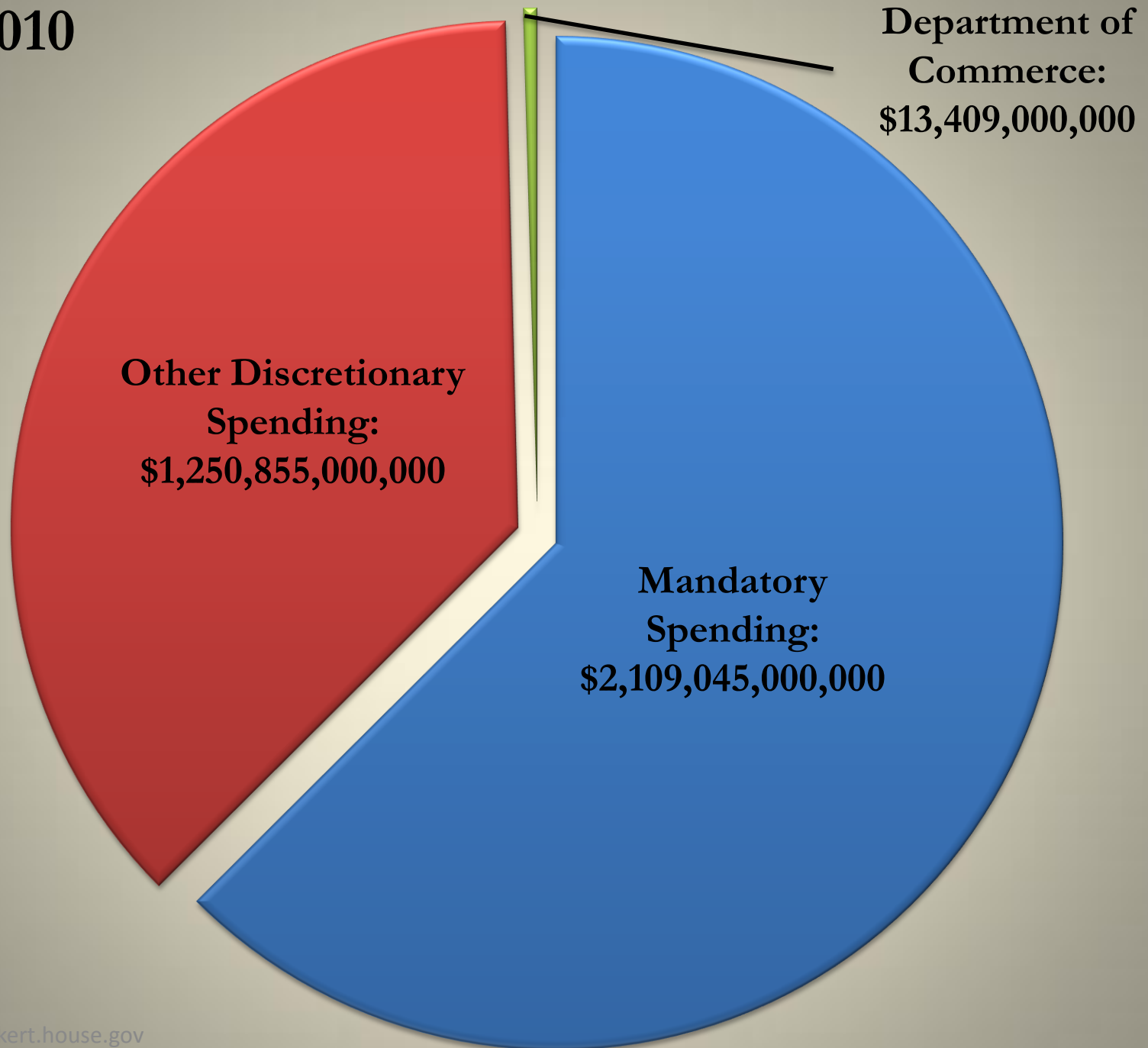
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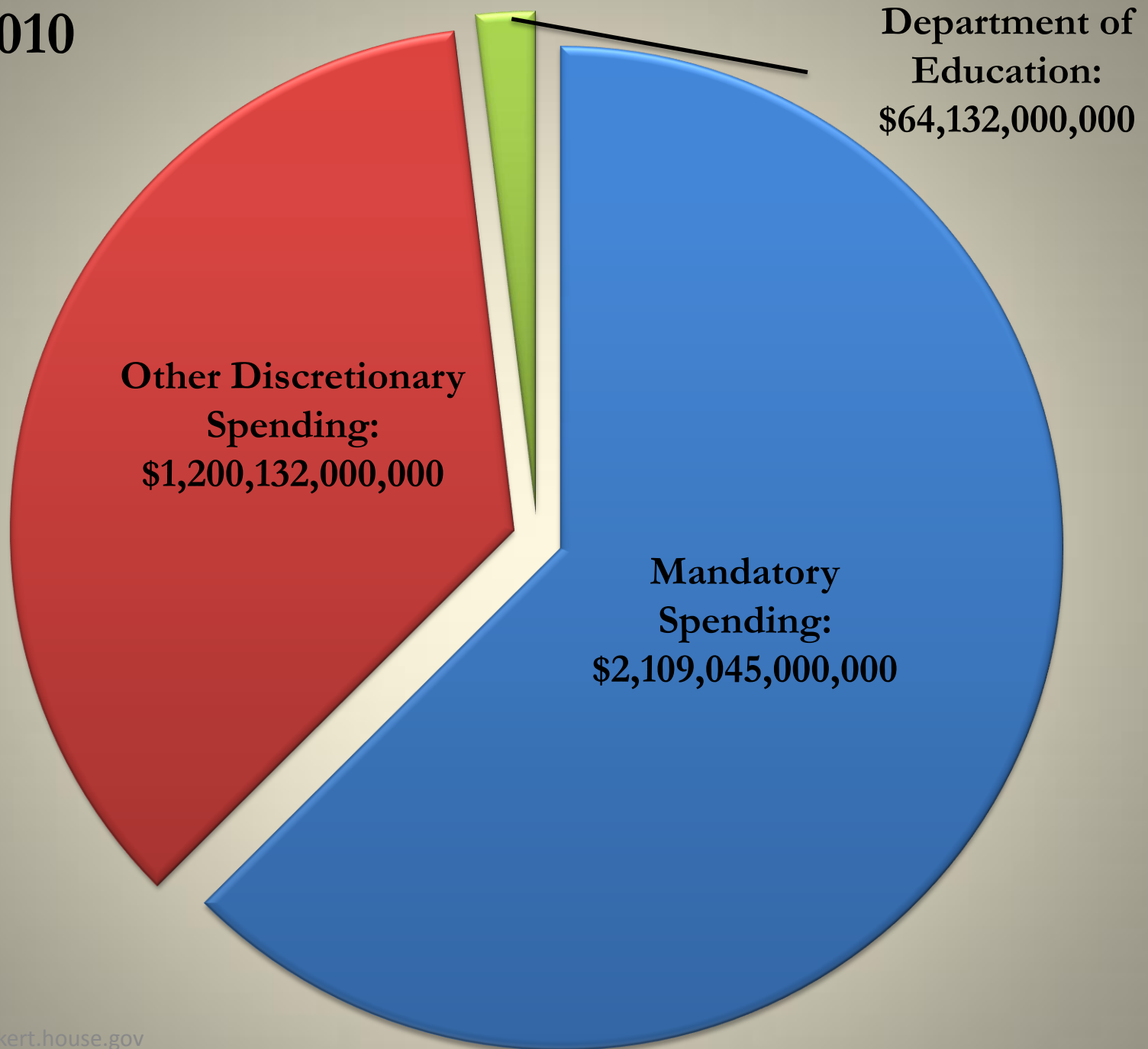
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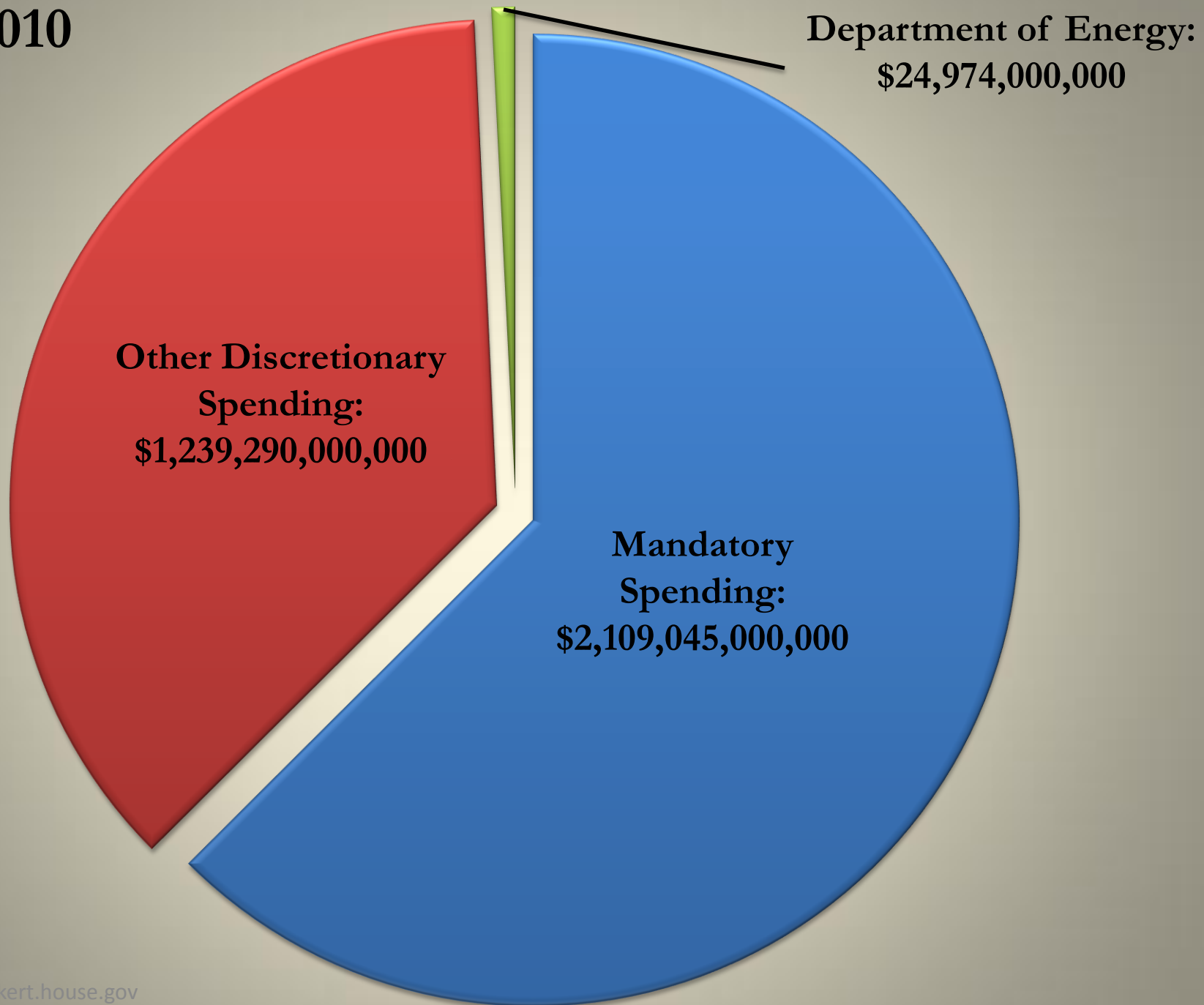
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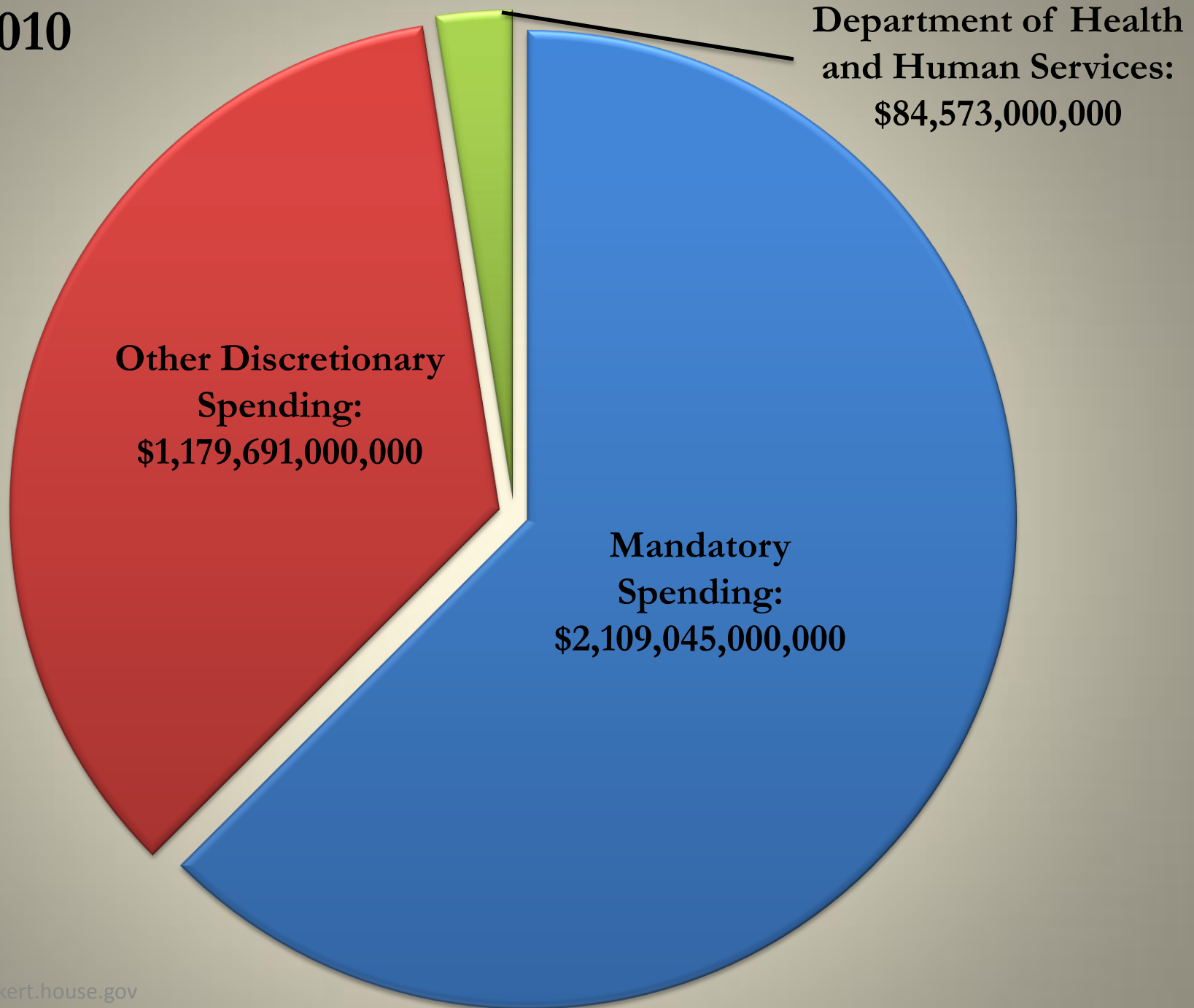
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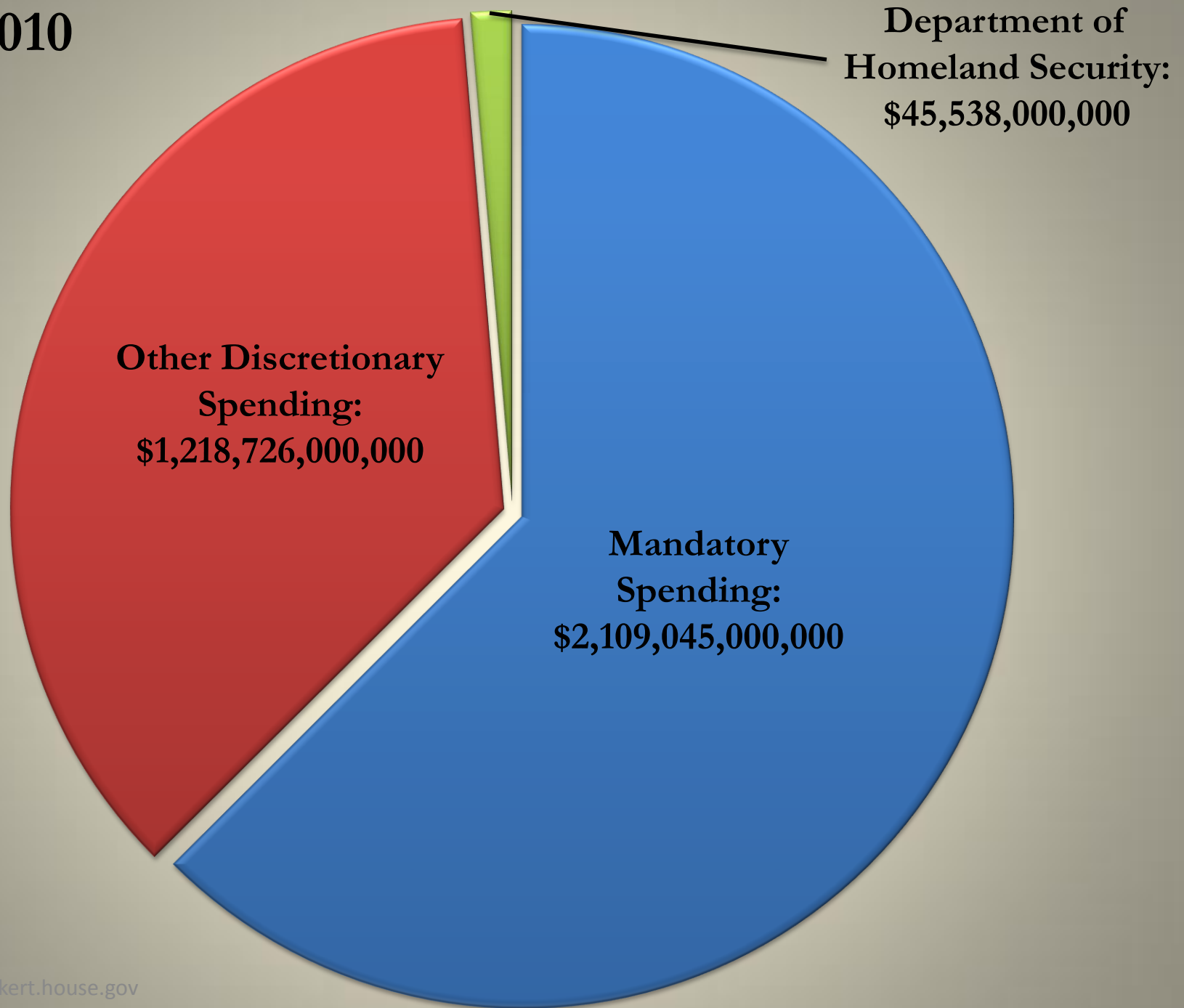
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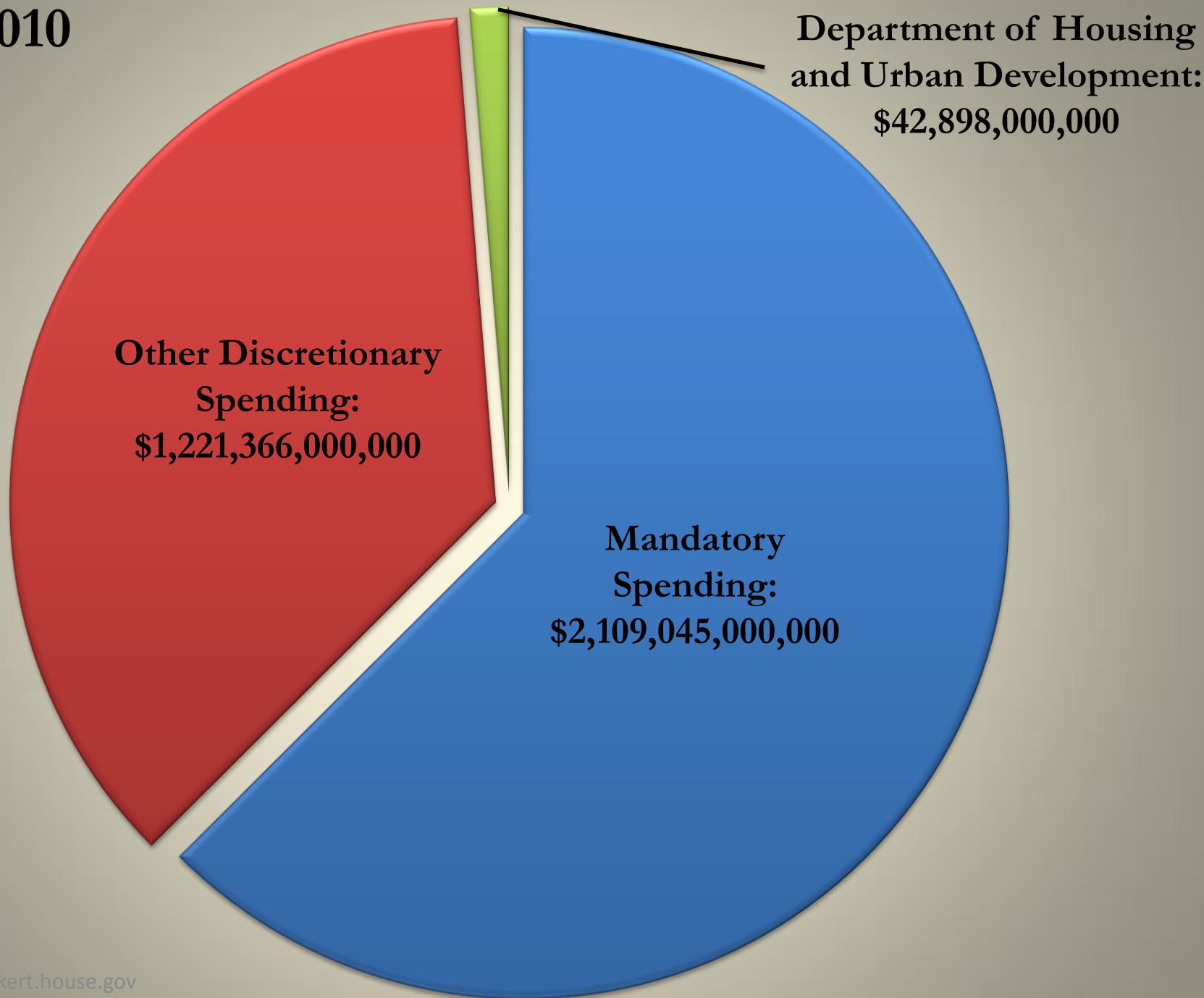
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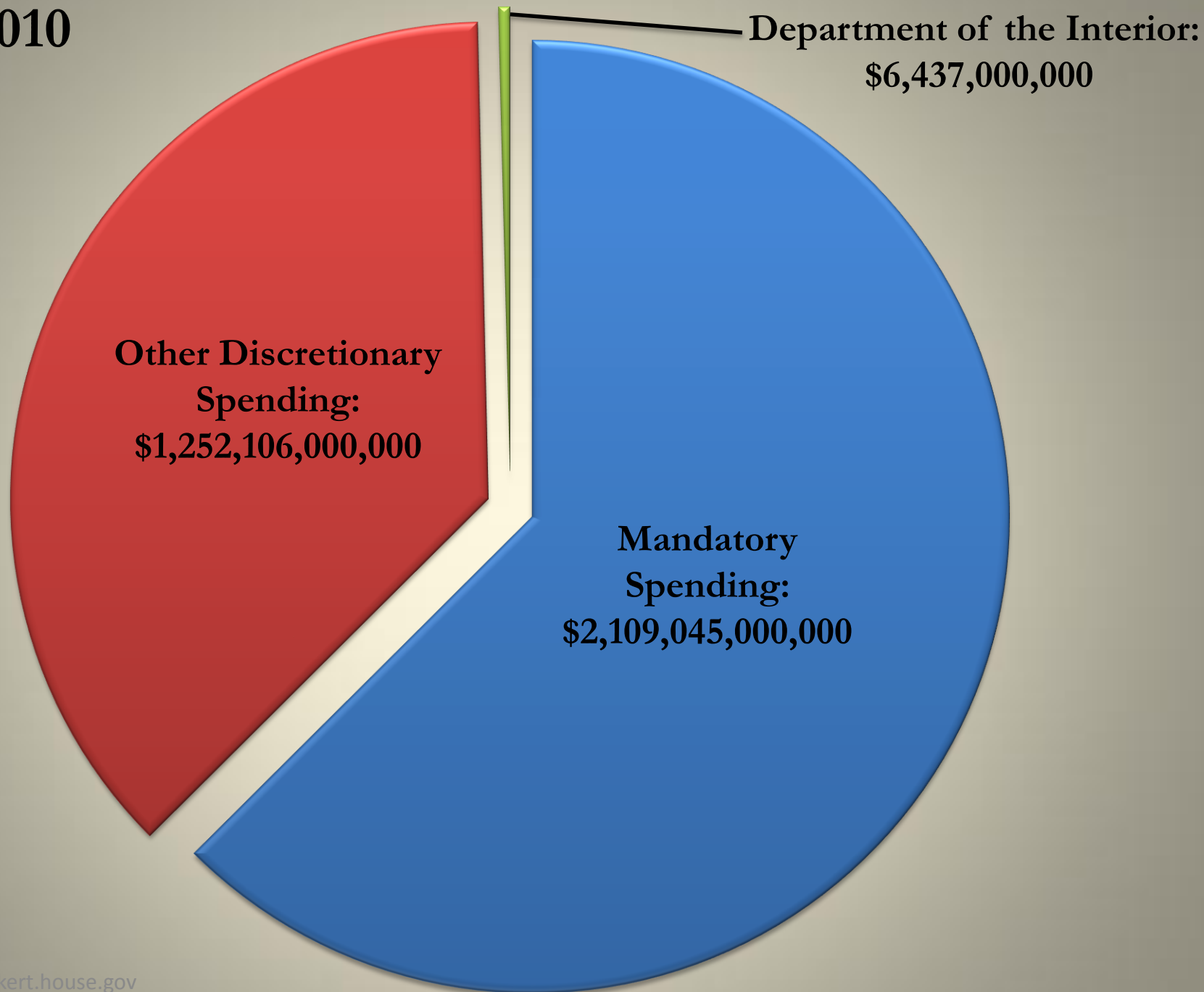
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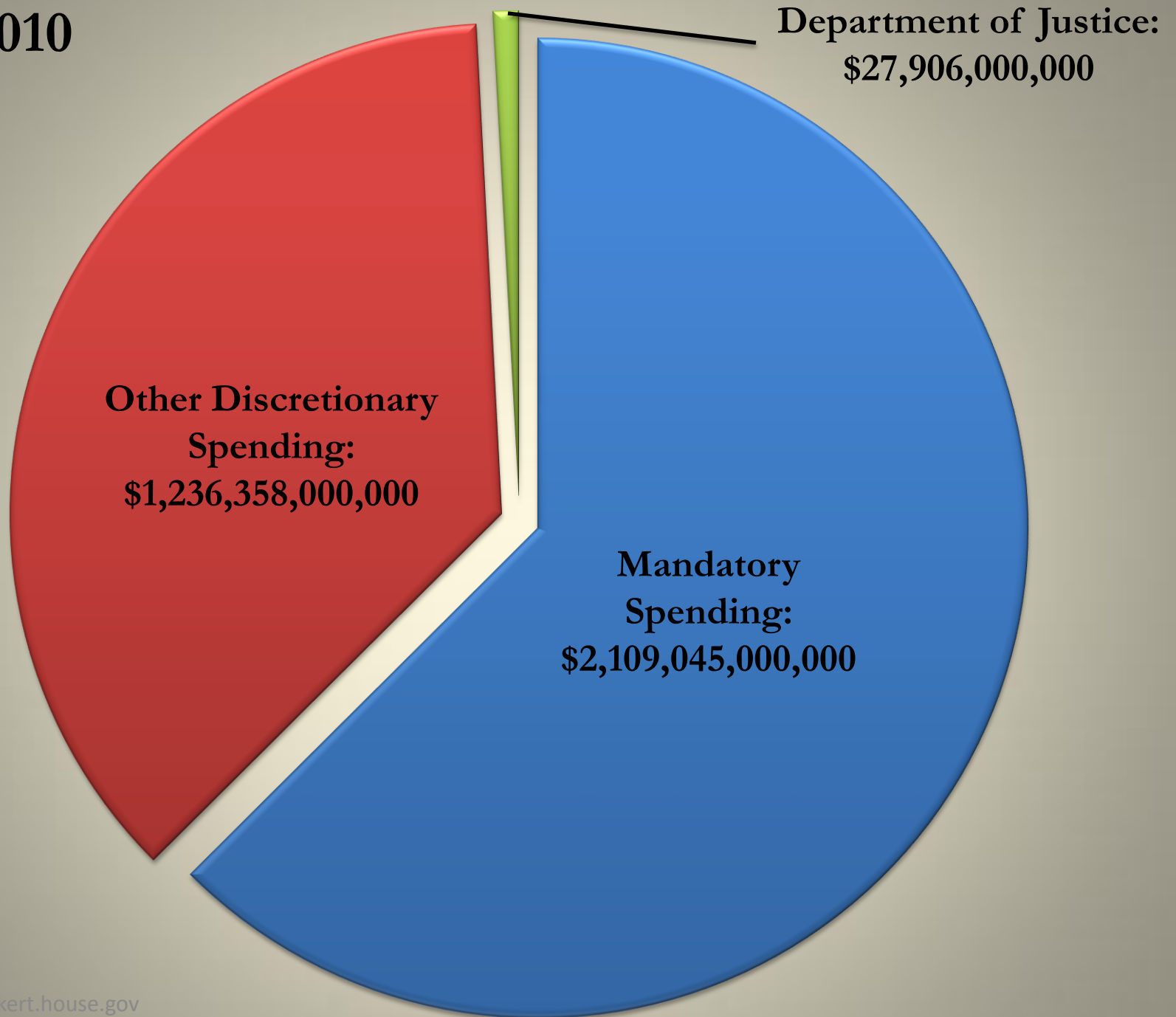
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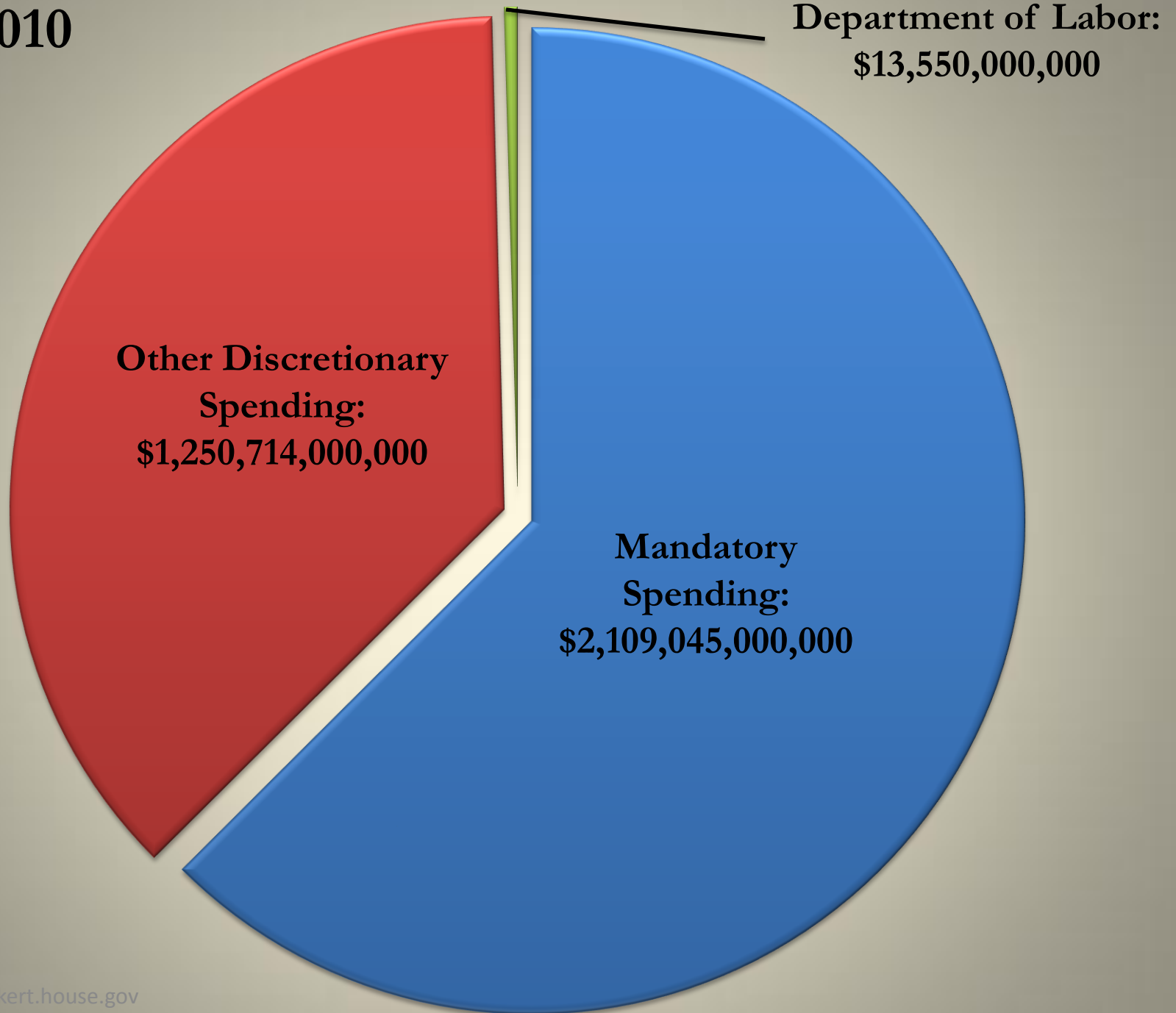
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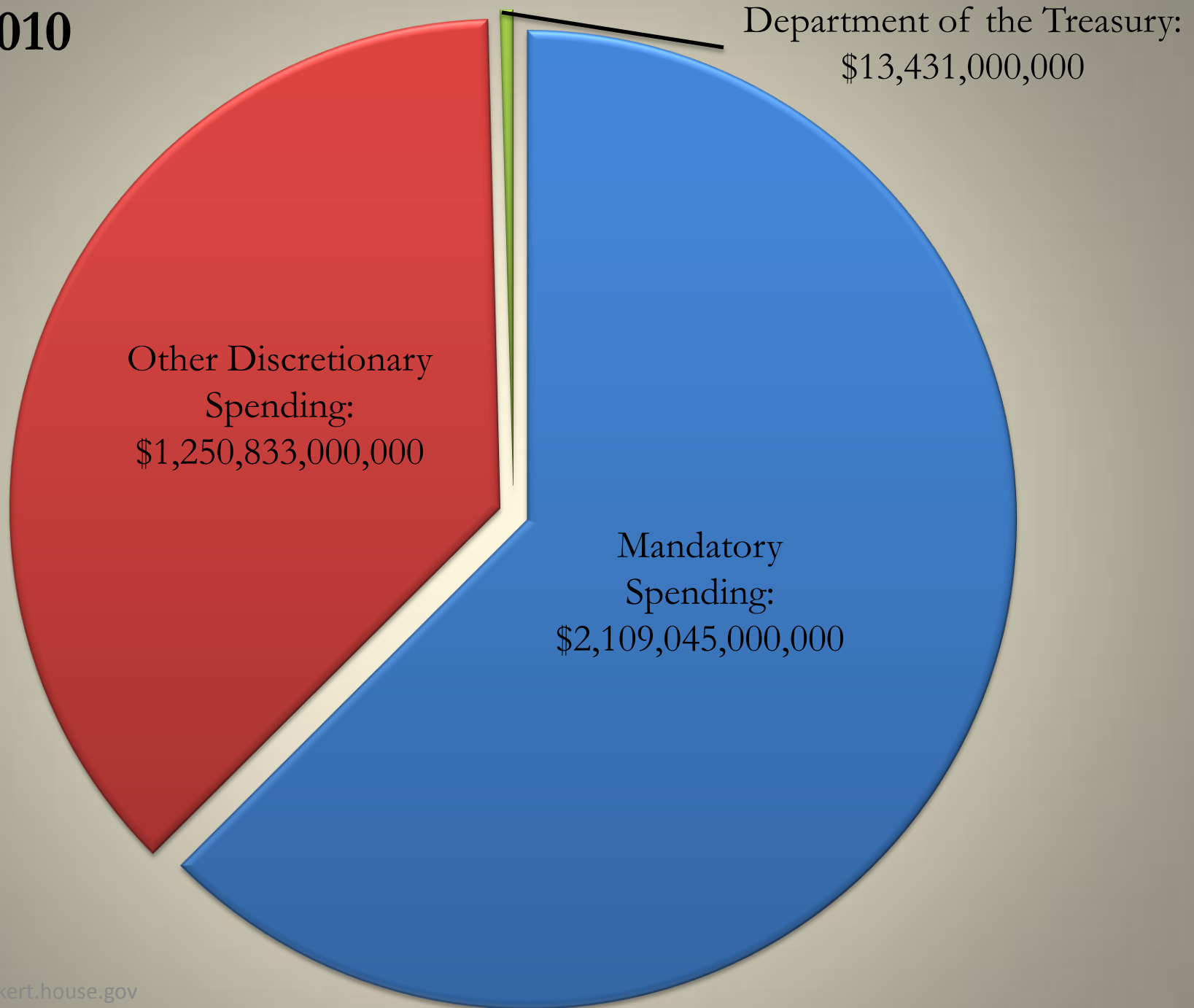
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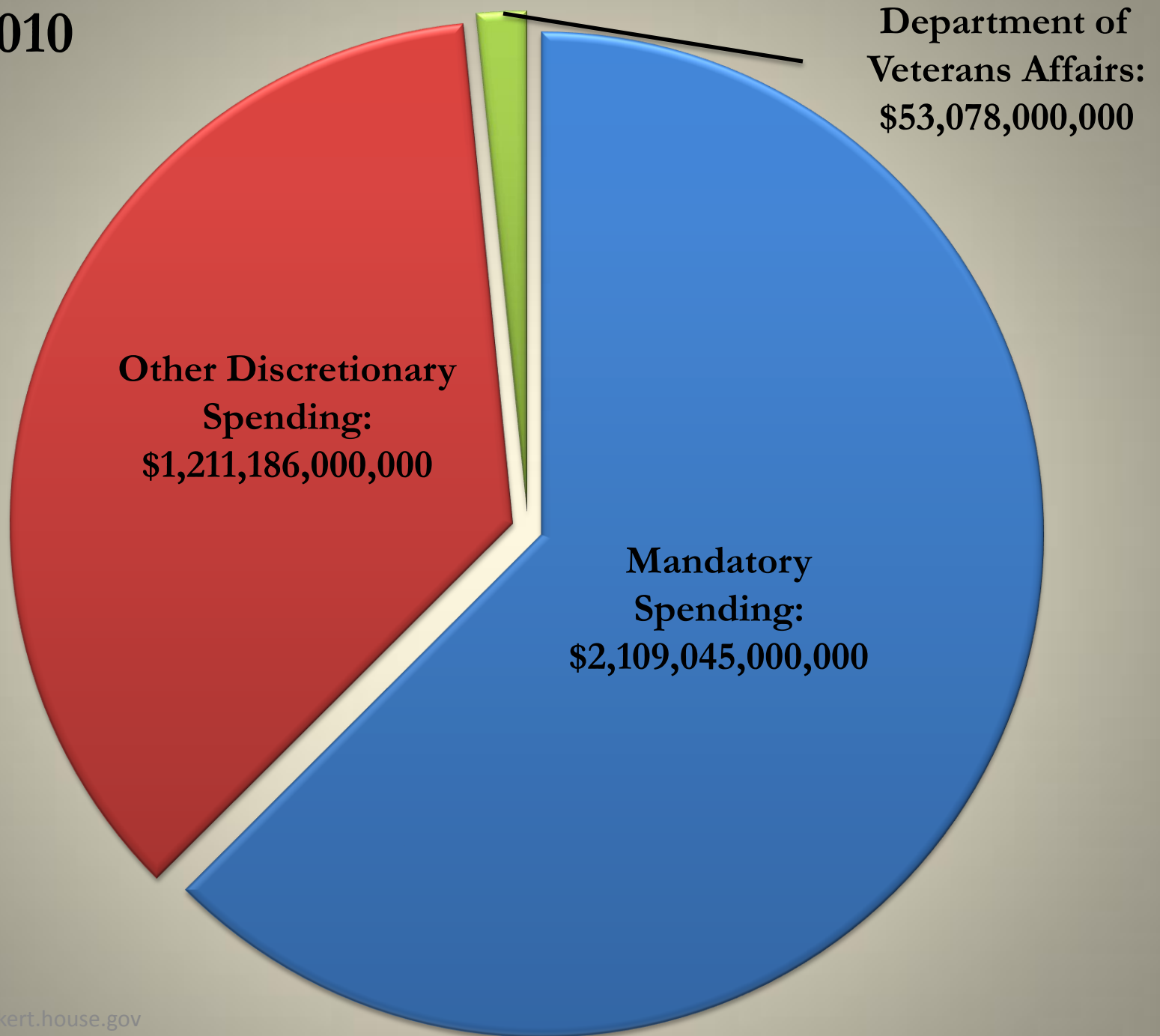
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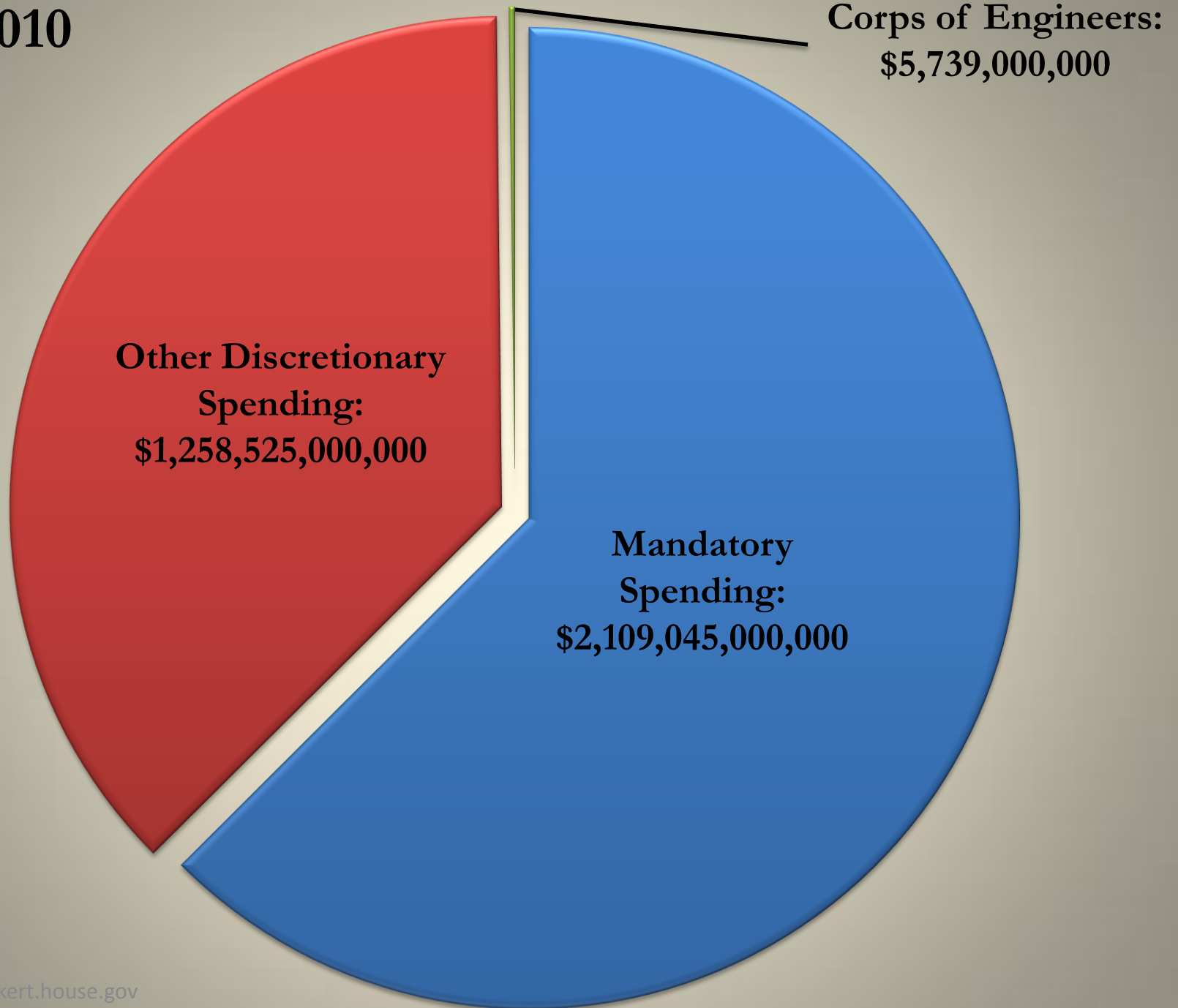
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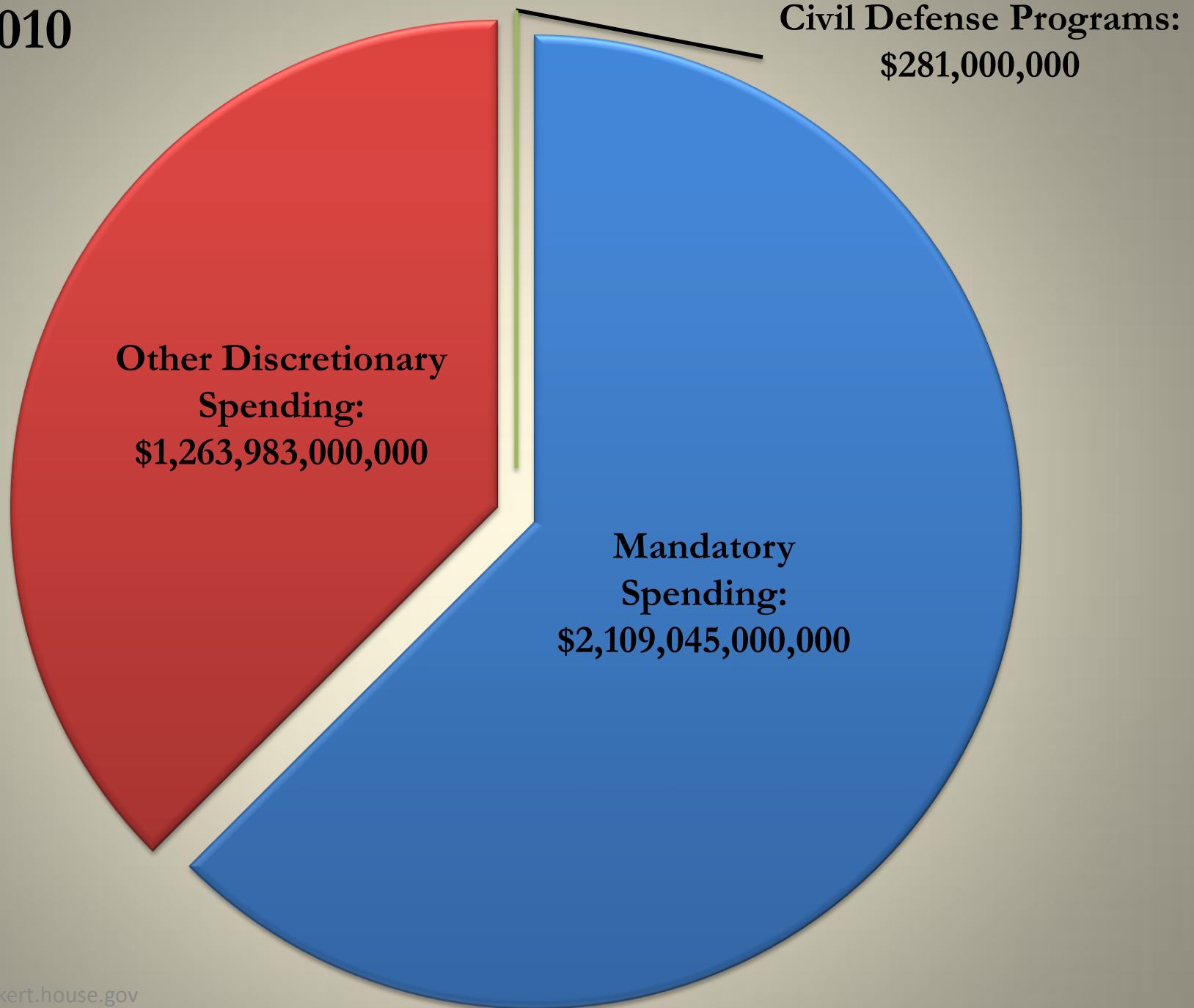
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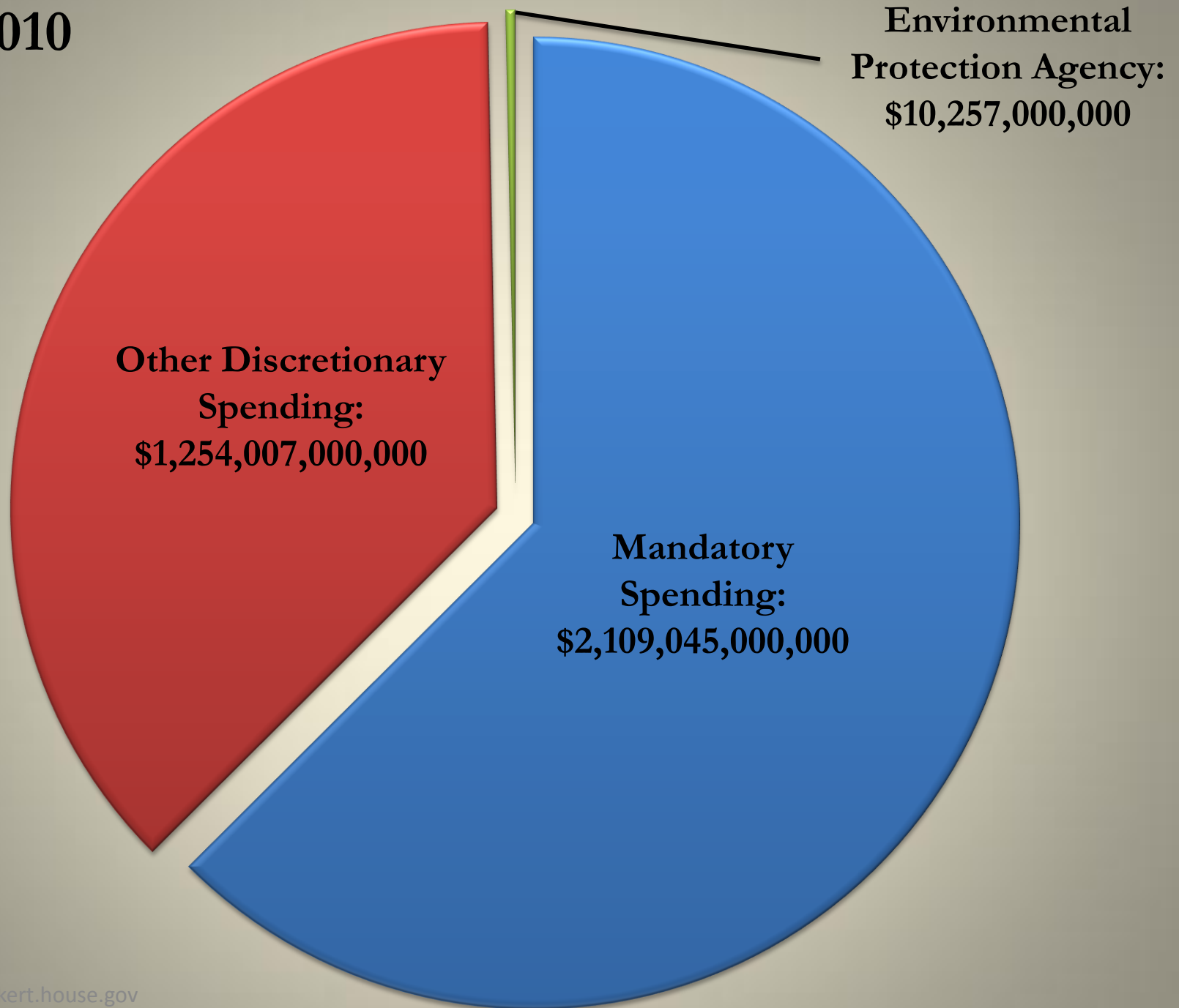
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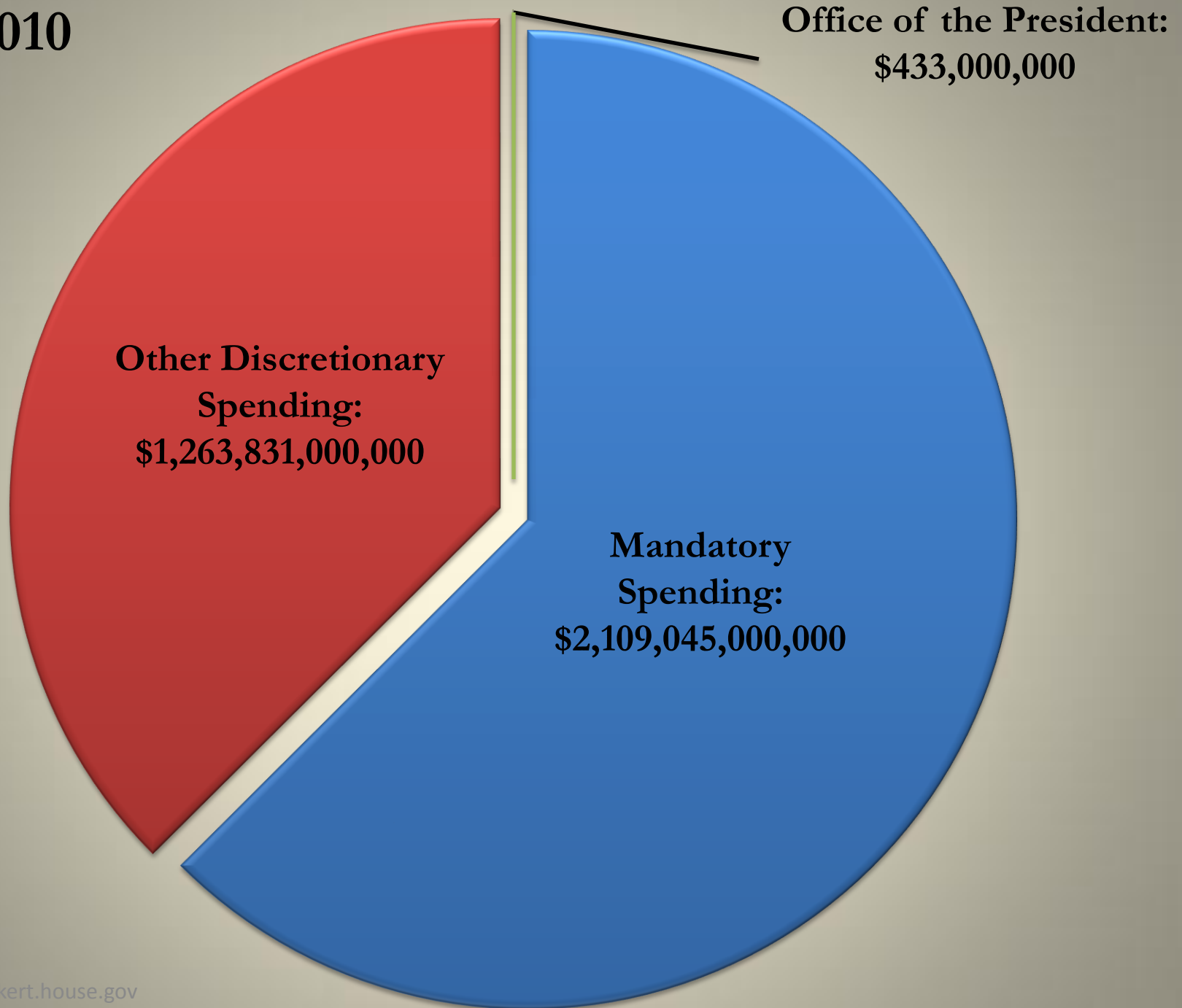
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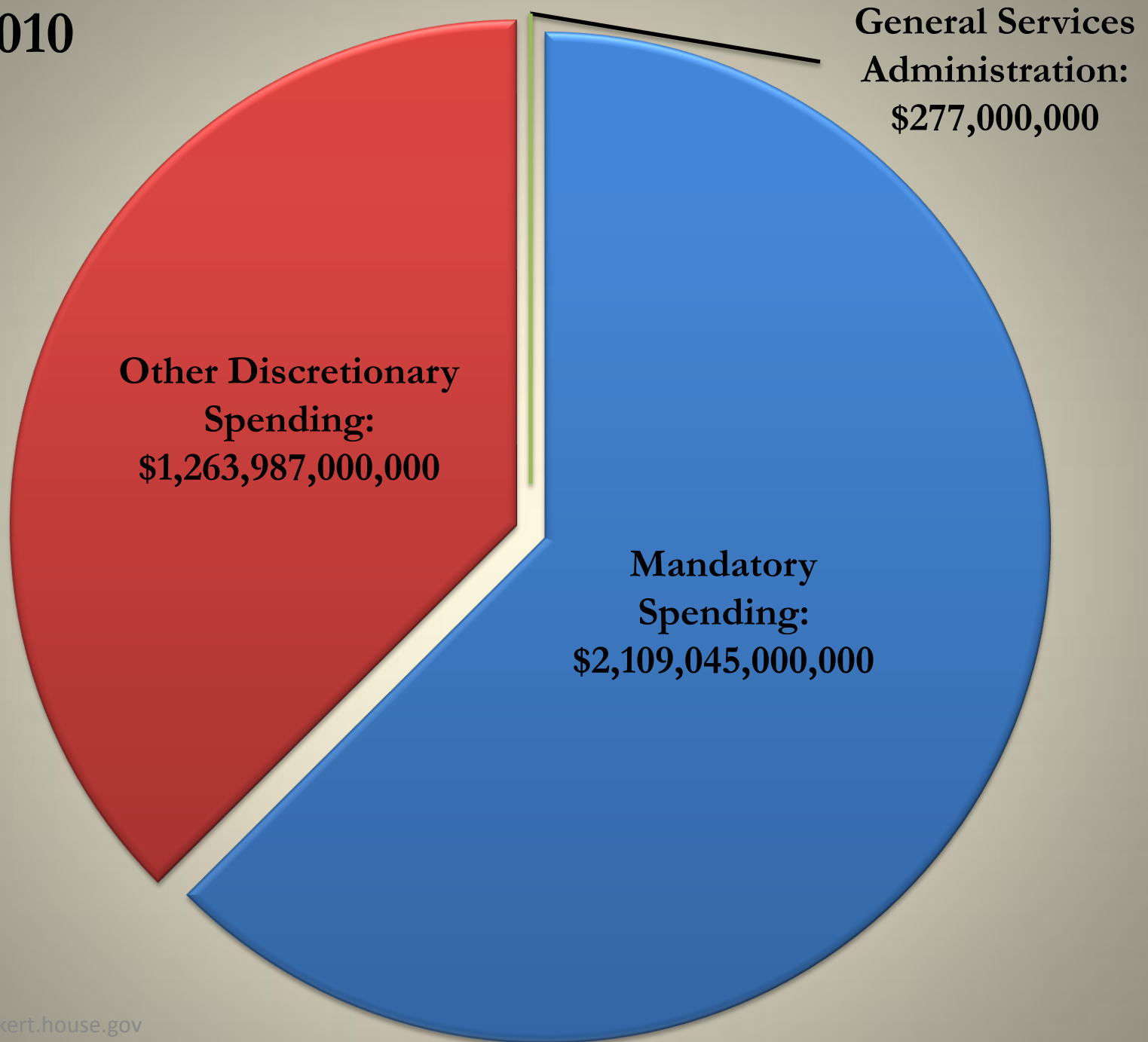
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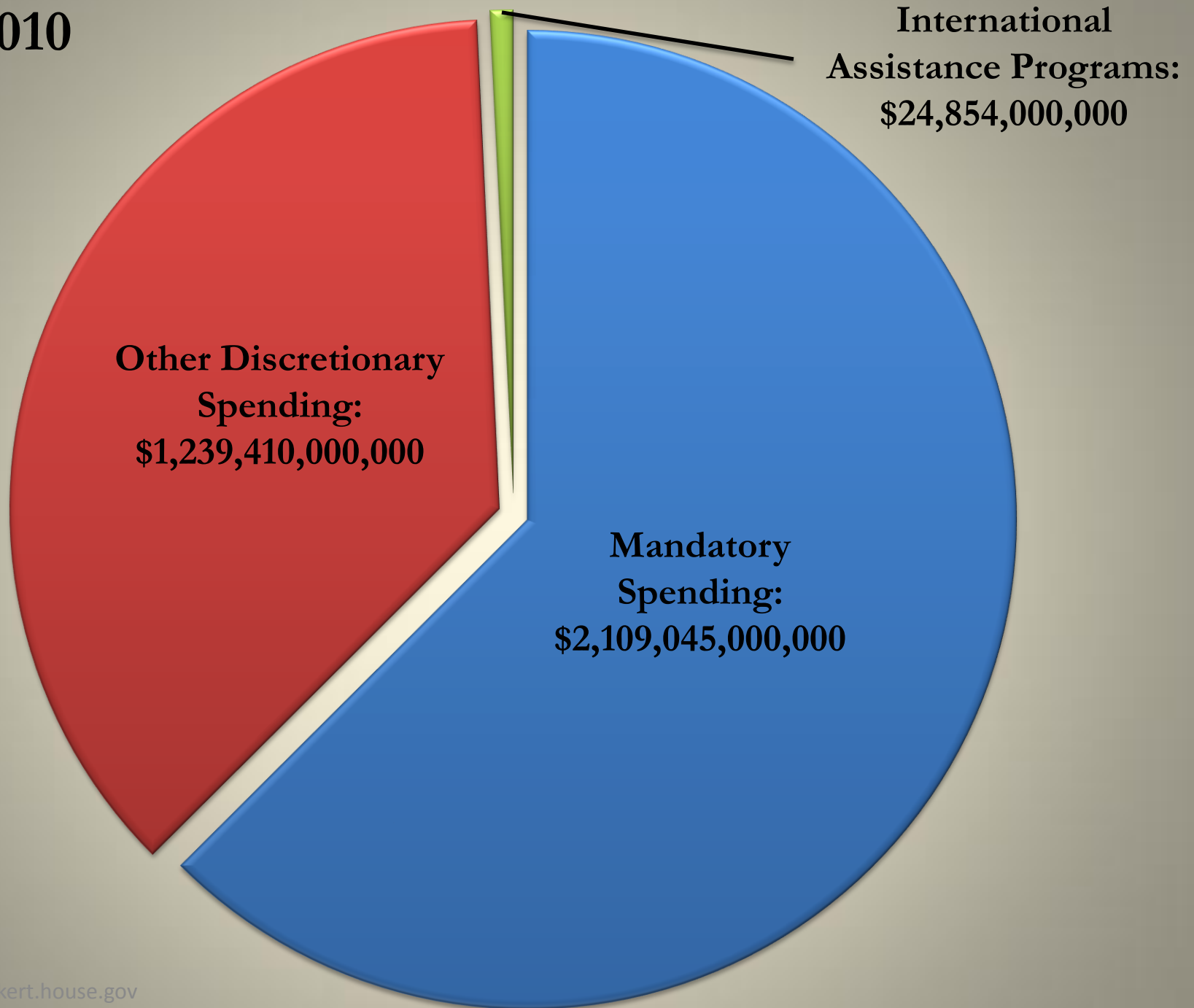
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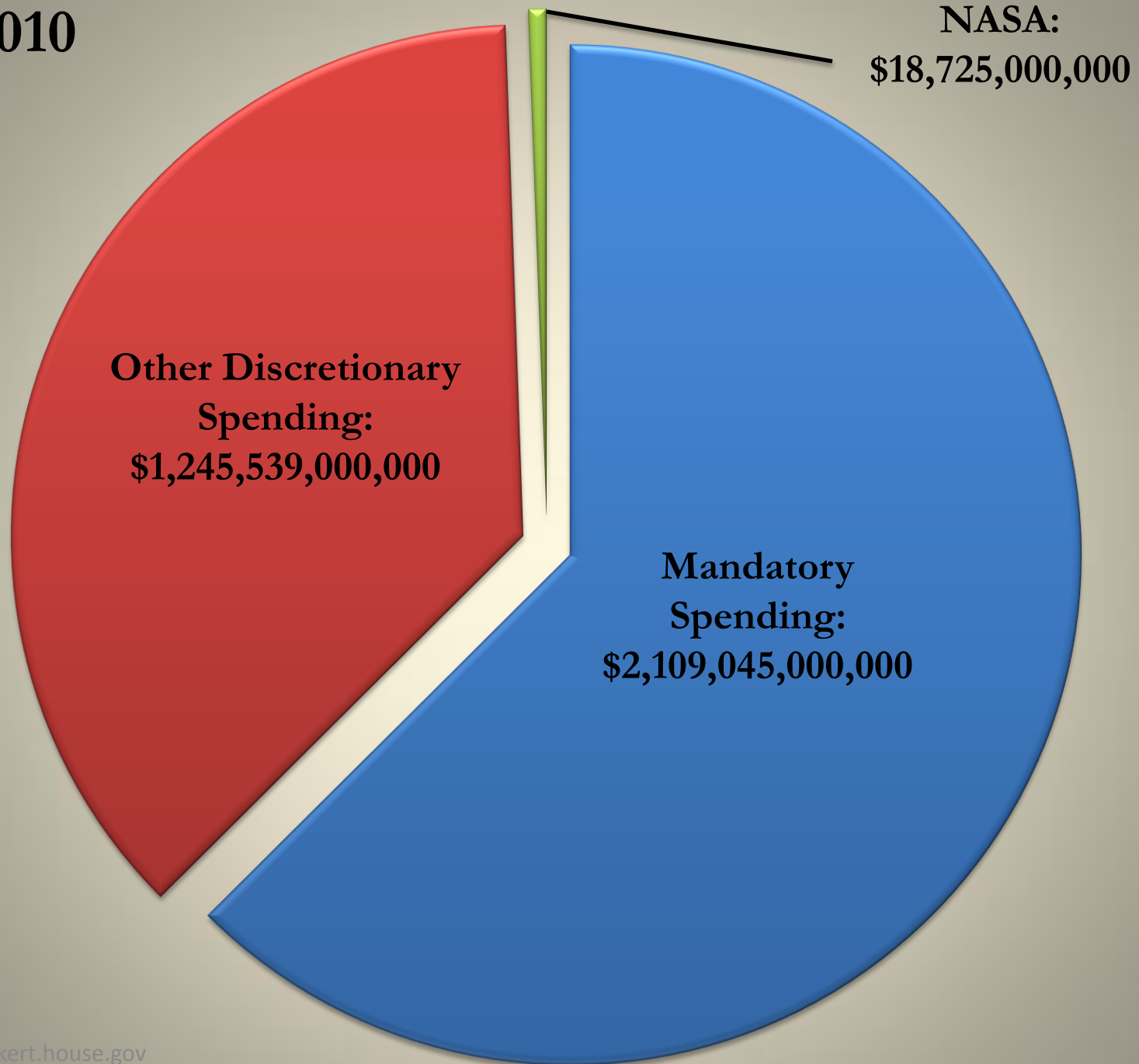
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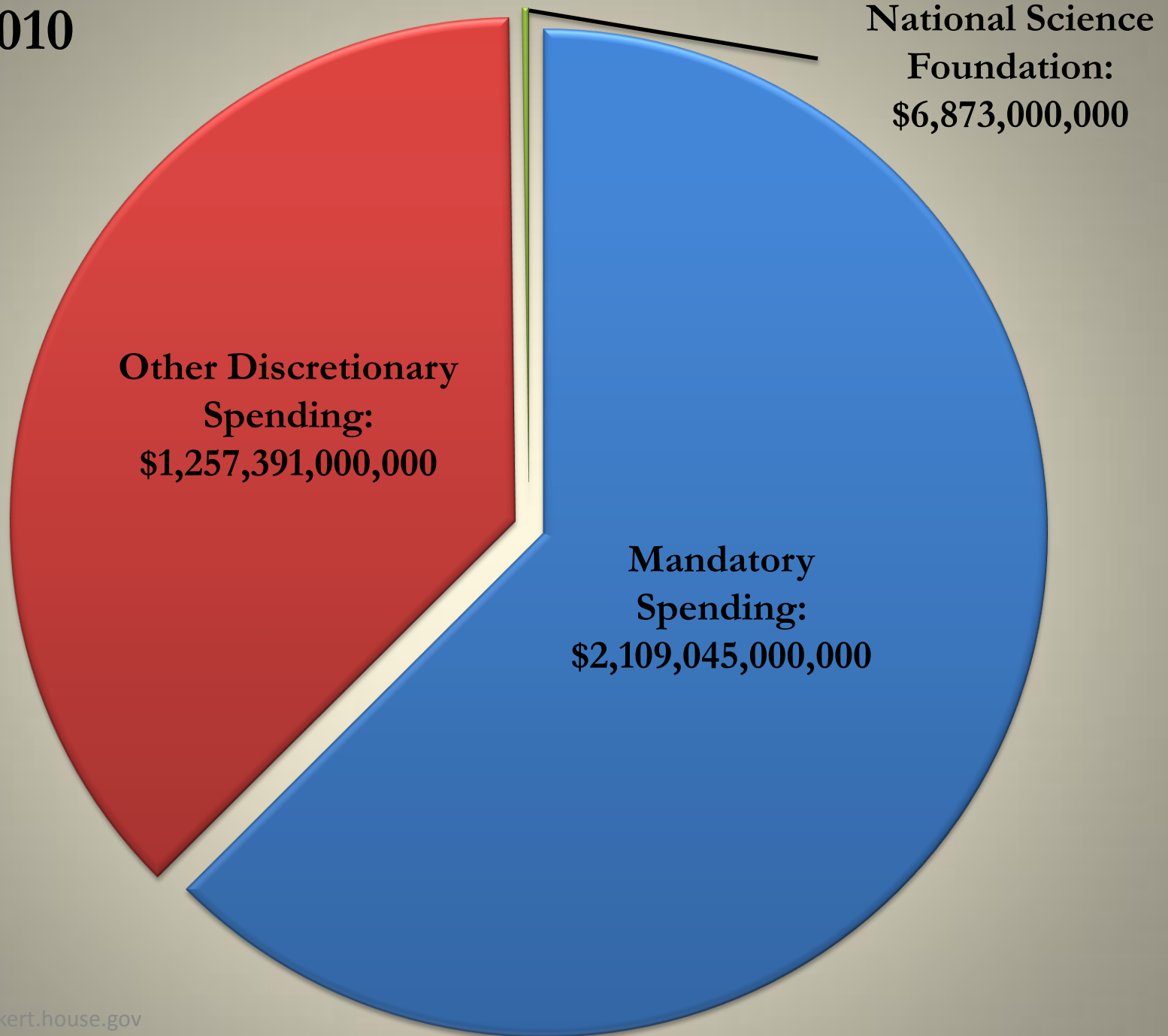
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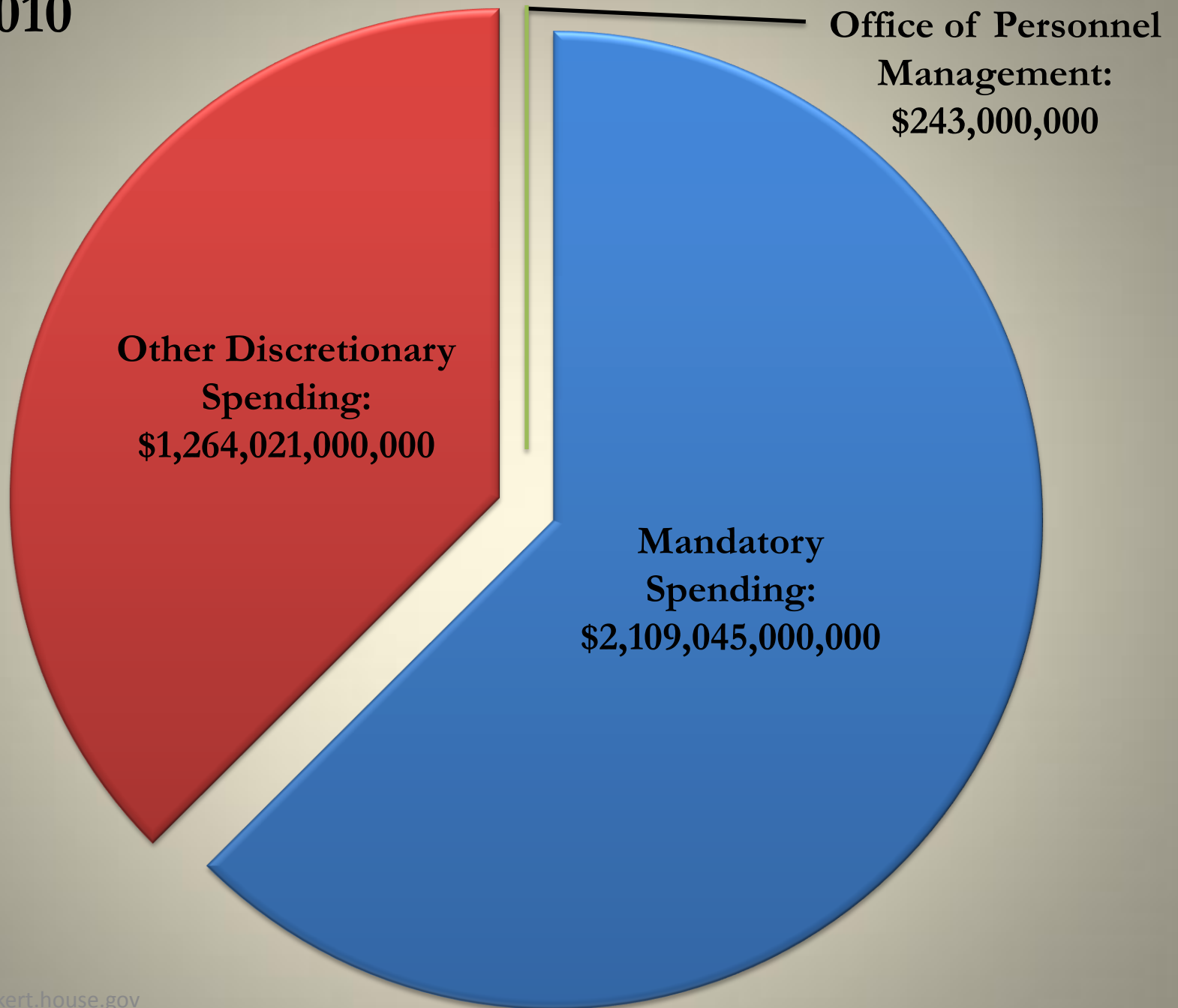
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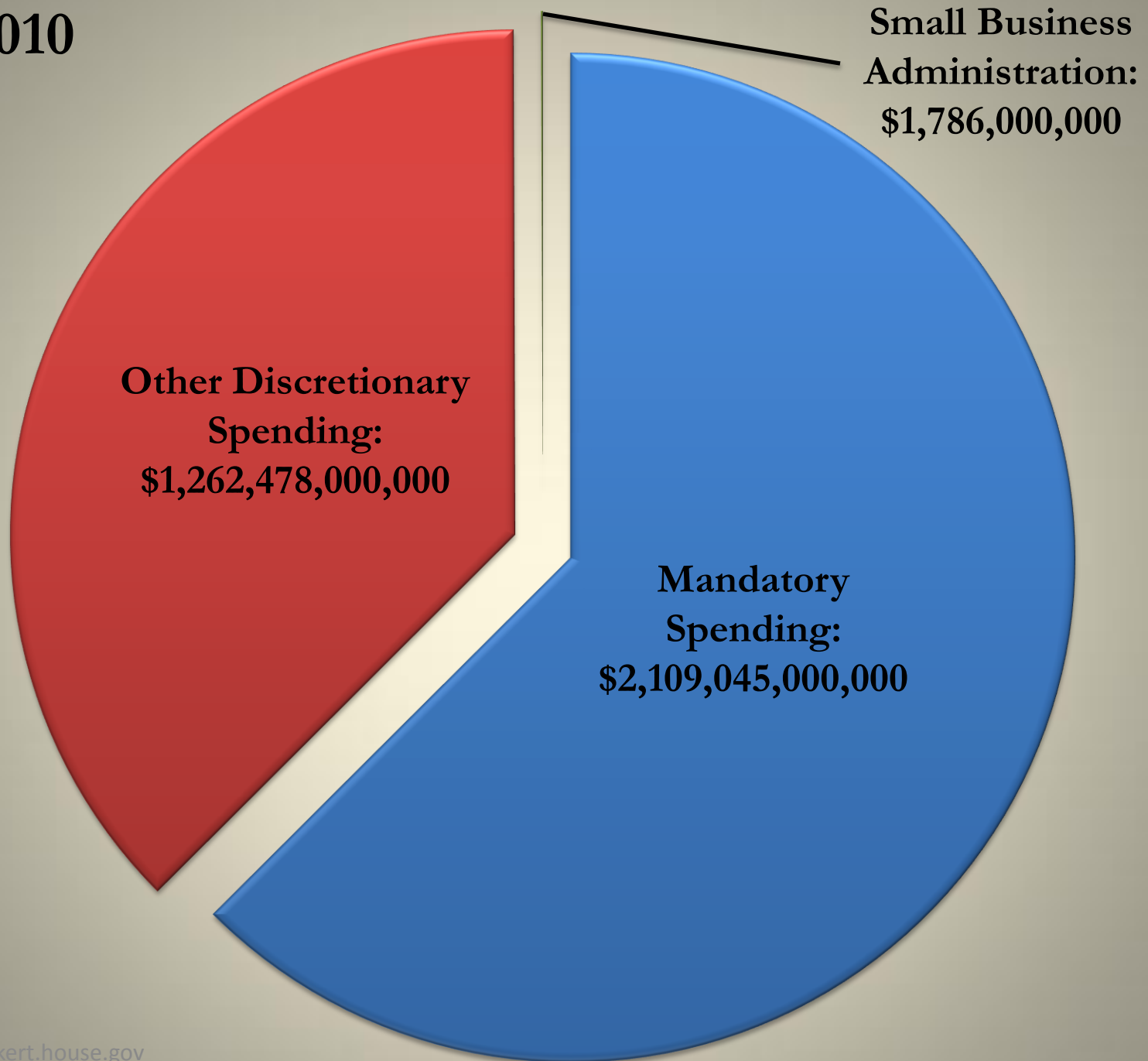
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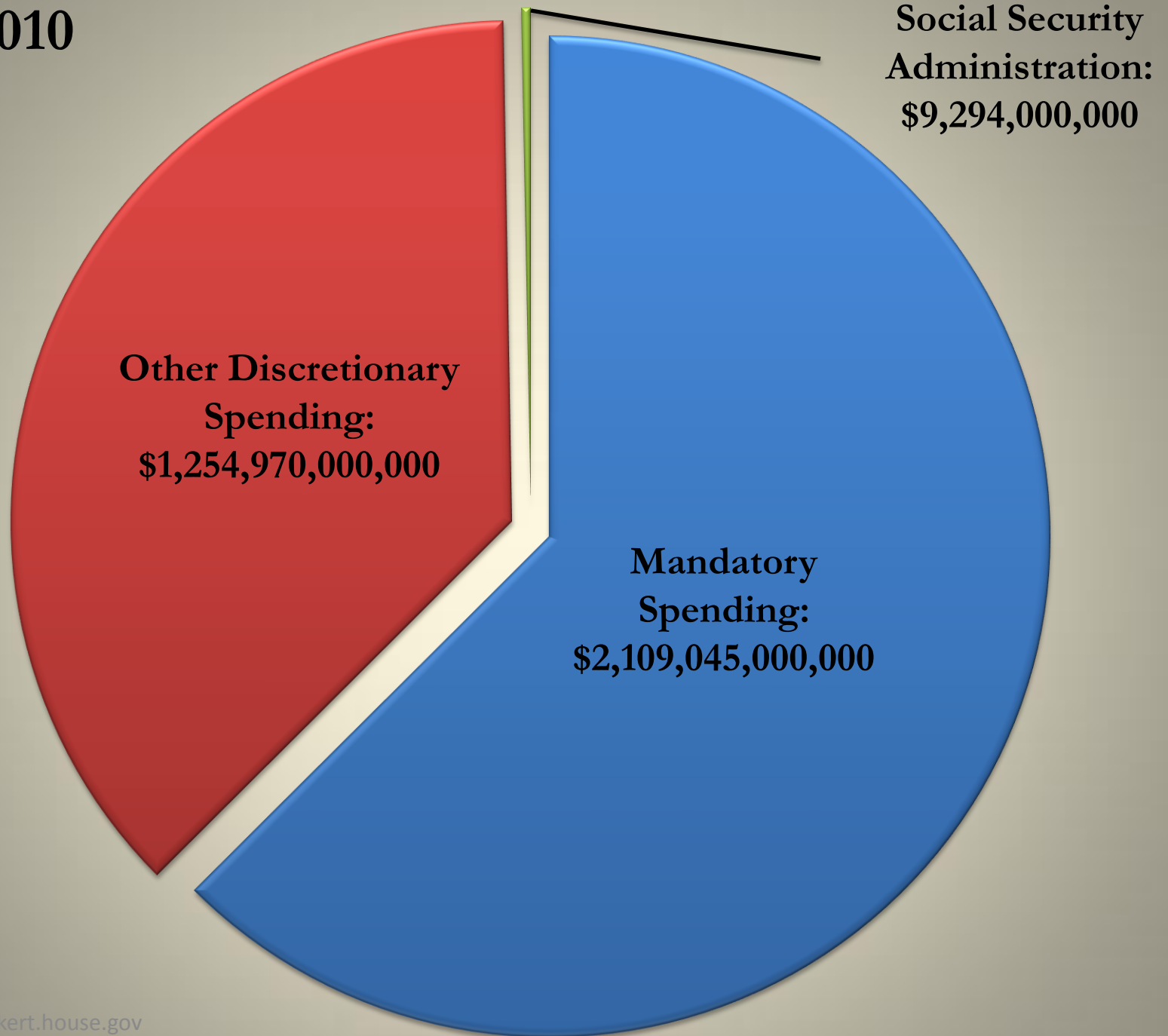
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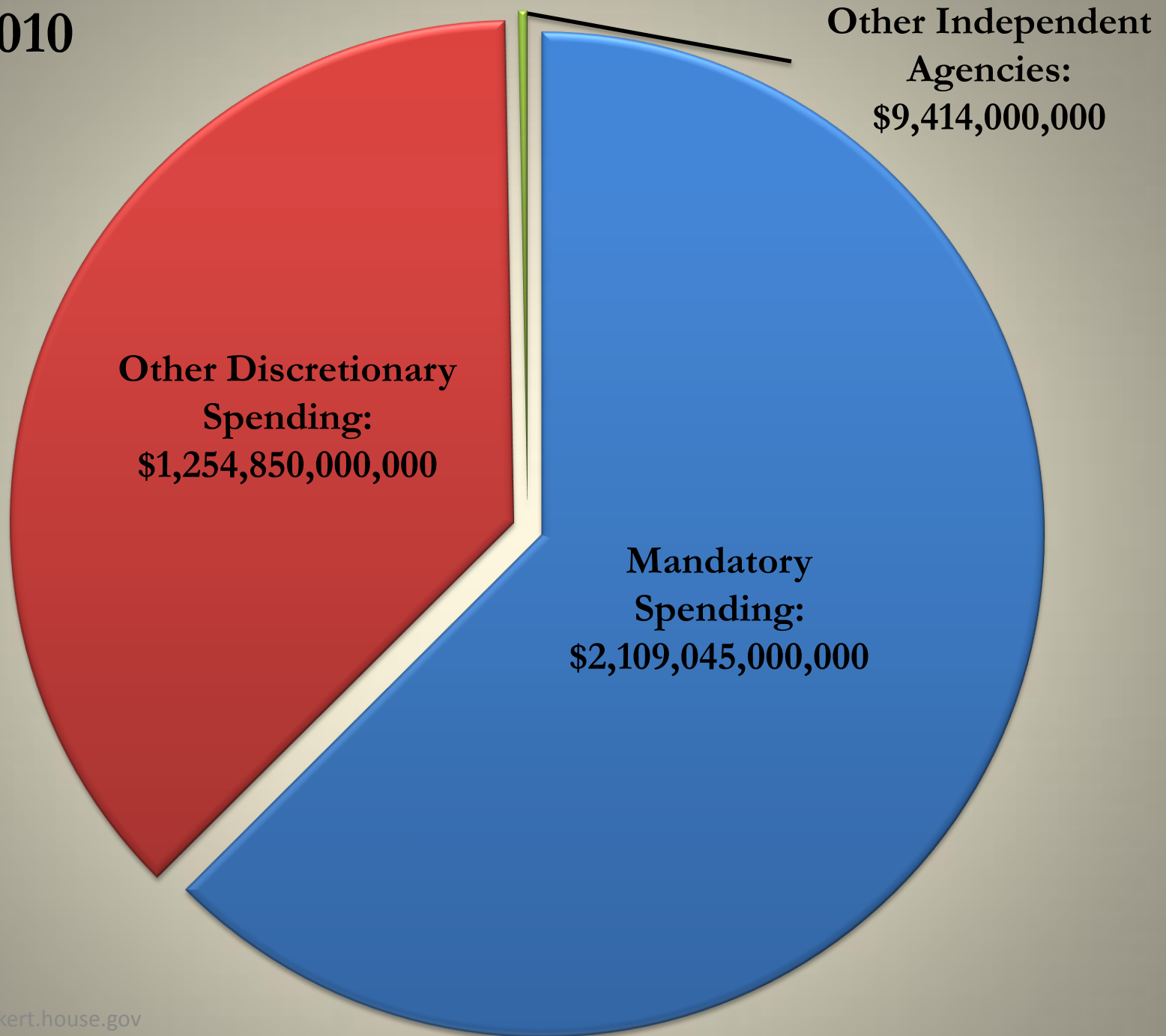
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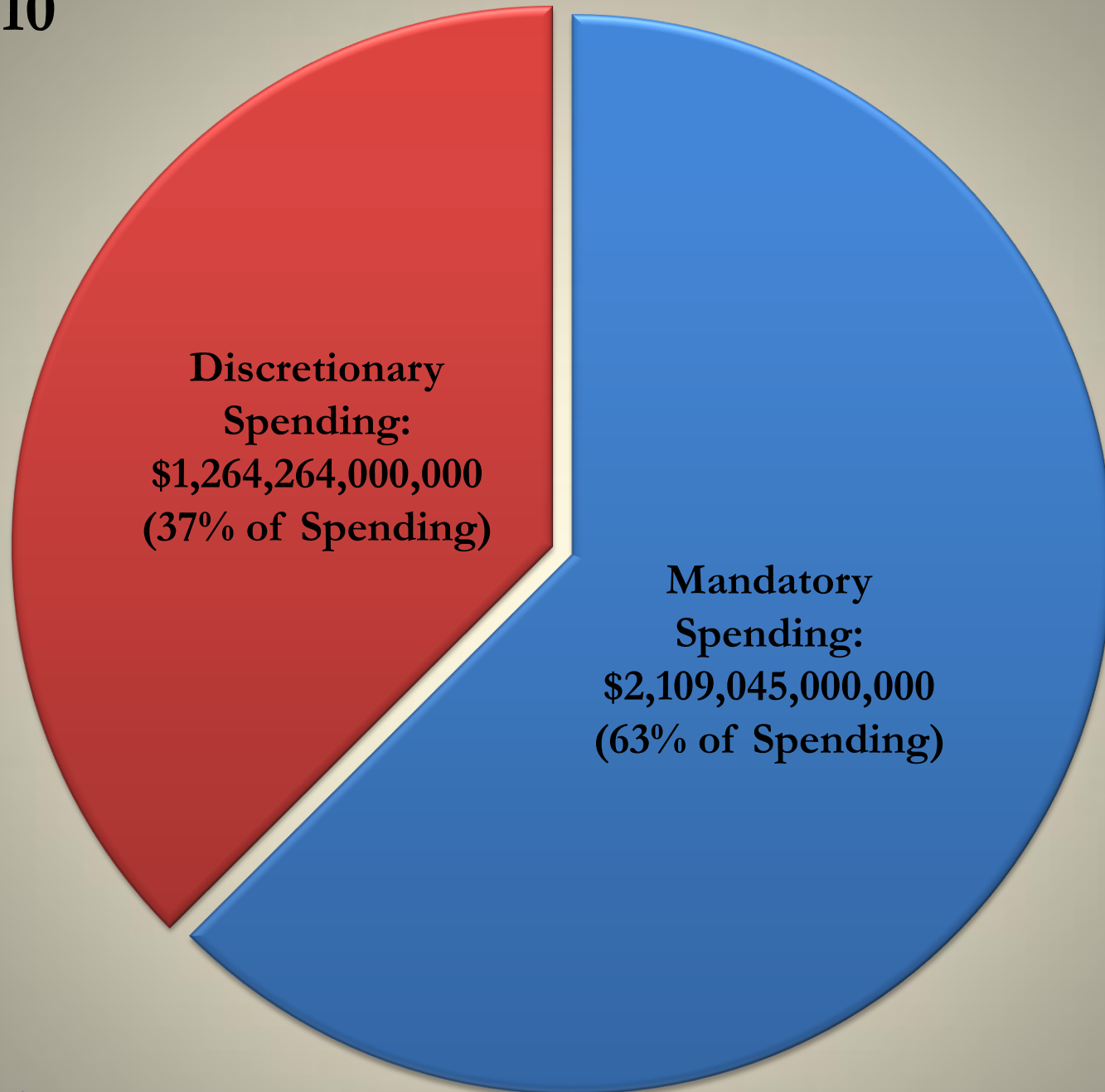
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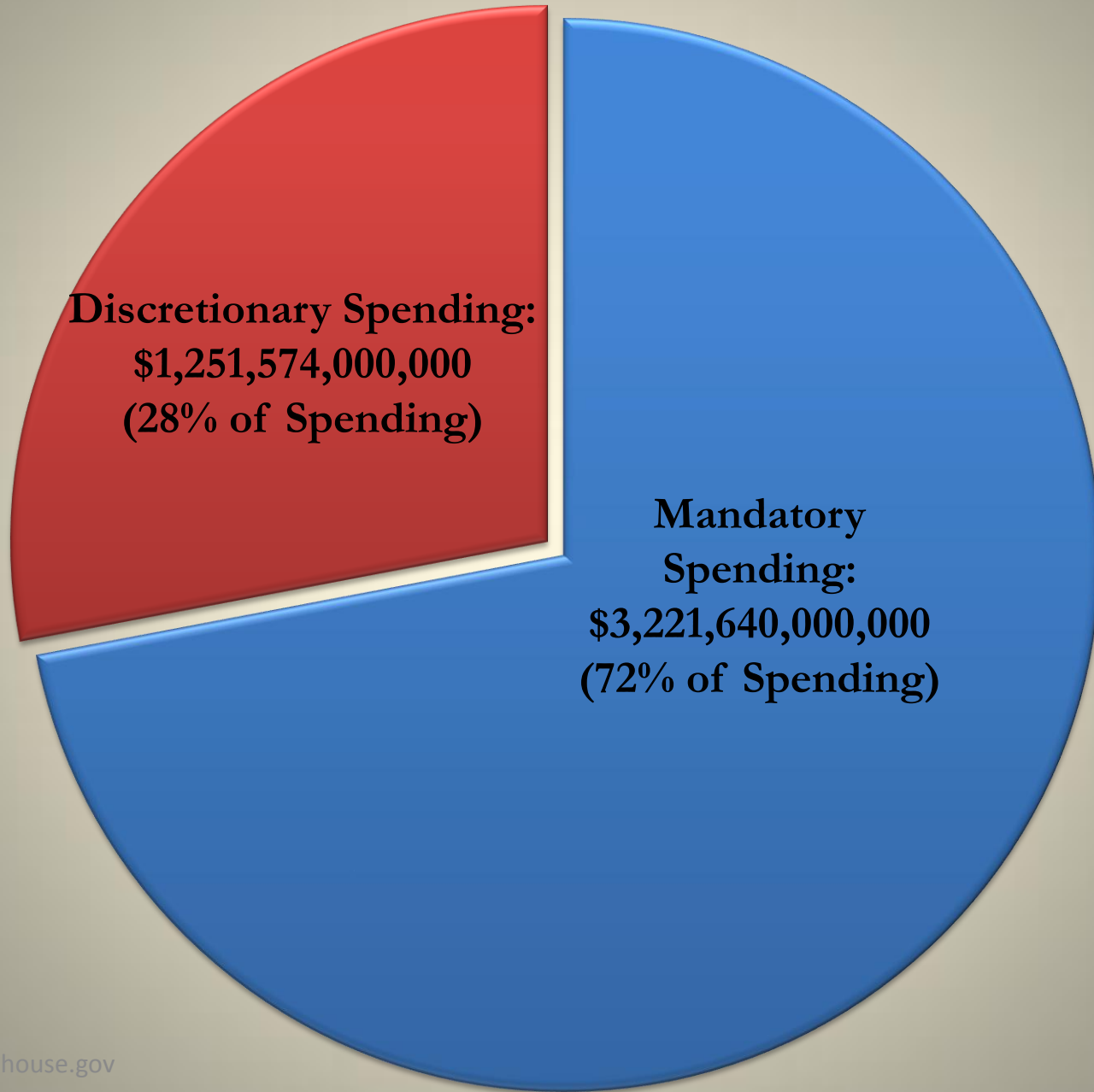
FY2010



FY2010



President Obama's Projected Spending for FY2016



A New Way Forward:

H.J.Res. 23: The Lee/Schweikert Balanced Budget Amendment to the Constitution is built on simple principles

Incoming Revenue:

Federal Government spending is limited to same year incoming revenue. Congress has demonstrated that it can no longer be trusted to live within its means. H.J.Res. 23 amendment will require it.

Growing the Economy:

Total spending of the Federal Government cannot exceed 18% of the nation's annual Gross Domestic Product (GDP). Historically, incoming federal revenue has hovered right around 18% of GDP. This provision incentivizes the Federal Government to remain focused on growing the economy. If the total GDP of the United States increases, the Federal Government is able to increase spending.

Controlling Spending:

H.J.Res. 23 ensures that increasing spending beyond the amendment's limitations will be both difficult and rare. Only by a two-thirds vote can Congress can authorize additional spending.

A New Way Forward:

H.J.Res. 23: The Lee/Schweikert Balanced Budget Amendment to the Constitution is built on simple principles

(CONT.)

Fighting Tax Increases:

Congress has a responsibility to protect taxpayers. This amendment requires a two-thirds vote to enact or increase any tax. By freezing federal spending to 18% of GDP, there should almost never be a need for new taxes.

Reducing the Debt:

Raising the debt limit has become passé. Rather than be a deterrent to run-away spending, the debt limit has simply become a minor nuisance. By requiring real debate to raise the debt limit, Congress will have to take a hard look at its fiscal liabilities. H.J.Res. 23 requires a two-thirds vote to increase the nation's debt limit.

The Movement to Protect Taxpayers:

H.J.Res. 23 ensures future Members of Congress can continue to protect American taxpayers. A unique provision in this amendment allows Members to request judicial enforcement of H.J.Res. 23 with a petition comprised of one-third of the Members of either House of Congress.

Preventing the Debt Limit Crisis:

H.R. 421: The Full Faith and Credit Act

Despite the warnings from the Obama Administration of the cataclysmic consequences of reaching the debt limit, there are several tactical steps the Federal Reserve can take to stave off reaching the debt limit by months. Republicans and Democrats must come together to provide the Federal Reserve with instructions to prioritize nation's debt should the limit be reached.

H.R. 421: The Full Faith and Credit Act would:

- Provide certainty that the United States will not default on its debt even if the debt ceiling were to be reached.**
- Assure creditors, including millions of Americans whose have invested their retirement savings in US debt, that we will not default on our payments.**
- Help maintain our AAA credit rating and avoid unnecessary disruptions of our credit markets.**
- Require us to have a serious conversation about the impact of spending policies and the need to rein in the growth of government.**

Sources:

- FY2010 and FY2016 spending data are from the White House Budget Historicals and Projections
- FY2010 Revenue Data is from the White House Budget Historicals
- FY2011 CR Data is from the CRS Report on Continuing Resolutions
- Social Security Data is from the Congressional Budget Office Estimations
- Title Wave of Debt courtesy of the House Budget Committee